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REPORT

(INTERIM)

OF THE

GENERAL PURPOSES SUB-COMMITTEE

OF THE

RETRENCHMENT ADVISORY COMMITTEE

SEPTEMBER 1931

PART I.



331.795

62

SIMLA
GOVERNMENT OF INDIA PRESS
1931

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CONFIDENTIAL

Interim Report of the General Purposes Sub-Committee.

CHAPTER I.

General observations on retrenchment.

(1) *Introduction.*—As requested by the Chairman of the Retrenchment Advisory Committee, we, the General Purposes Sub-Committee, beg to present our interim report.

The General Purposes Sub-Committee was charged with—

- (i) the review of all central expenditure except that on the Army, the Posts and Telegraphs Department, the Railways, Civil Works, Audit and Accounts, Stationery and Printing and the Indian Stores Department. (Other Sub-Committees were set up for the purpose of reviewing the public expenditure on these excepted items).
- (ii) Consideration of, and co-ordination of the proposals made by the other Sub-Committees relating to, the pay and allowances of Government servants.

Constitution.—The Sub-Committee was constituted as below :—

- (1) Sir ABDUR RAHIM, K.C.S.I., Kt., M.L.A. (Chairman).
- (2) The Hon'ble Rai Bahadur Lala RAM SARAN DAS, C.I.E., Member.
- (3) Mr. RANGASWAMY AYANGAR, "
- (4) Mr. S. C. MITRA, M.L.A. "
- (5) Mian Muhammad SHAH NAWAZ, C.I.E., M.L.A., "
- (6) Mr. K. C. ROY, C.I.E., M.L.A., "
- (7) Rai Sahib HAR BILAS SARDA, M.L.A., "
- (8) Mr. RAMSAY SCOTT, M.L.A., "
- (9) Khan Bahadur HAFIZ WILAYAT ULLAH, I.S.O., M.L.A. "
- (10) Mr. J. C. NIXON, I.C.S. (representing the Finance Department) , ,
Mr. S. P. SHAH, I.C.S. (upto 7th June 1931 Mr. W. R. Tennant,
I.C.S.) Secretary.

Reference.—

" To make recommendations to the Committee* for effecting forthwith or by stages all possible reductions in the public expenditure of the Government of India under review of the Sub-Committee, having regard especially to the present and prospective position of the revenue. In so far as questions of policy are concerned, these will be left for the exclusive consideration of the Government, but it will be open to the Sub-Committee to review the expenditure and to indicate the economies which can be effected, if particular policies are either adopted, abandoned or modified."

(2) *Procedure and sittings.*—We sat from 30th June to 24th July 1931 to consider the general lines on which we would conduct our investigation and to prepare questionnaires with a view to elicit information and suggestions from the various departments of Government. We issued 73 questionnaires

* I.e., to the Retrenchment Advisory Committee.

concerning 63 grants and estimates and suspended our sittings on 25th July to enable the departments concerned to submit their replies. We resumed our sittings on 6th August and examined 32 representatives of the Secretariat and heads of departments with respect to the following 29 grants and estimates :—

Taxes on Income, Stamps, Forest, Executive Council, Bureau of Public Information, Intelligence Bureau, Central Board of Revenue, Police, Survey of India, Meteorology, Geological Survey, Botanical Survey, Zoological Survey, Archaeology, Mines, Other Scientific Departments, Education, Medical Services, Public Health, Agriculture, Imperial Council of Agricultural Research Department, Veterinary Services, Indian School of Mines, Aviation, Emigration (External), Imperial Library, Explosives, Indian War Memorial, and Broadcasting.

In many cases the same officials appeared before us. We were desired to submit an interim report. Hence, we suspended the remaining portion of our programme, and applied ourselves to a detailed study of these subjects and to formulate our conclusions for the interim report.

(For the attendance of members the statement on page 10 may be seen.)

(3) *Invitation to the public.*—On 14th July we issued a notice to the general public inviting the public (including service associations) to forward their written memoranda and suggestions on the question of effecting possible economies in public expenditure in those activities of Government which fell within the cognisance of our Sub-Committee to enable us to decide whether we should examine any witnesses who might be named by them. We have considered such memoranda as have been received by us, but only one non-official, Mr. Gaya Prasad Singh, M.L.A., has appeared and given us the benefit of his advice relating to the Indian School of Mines, Dhanbad.

(4) *Portion of budget reviewed.*—This interim report covers grants amounting to Rs. 3,21,97,000 of which Rs. 48,20,000 is non-voted and Rs. 2,73,77,000 is voted. The grants and estimates charged to revenue,* with reference to which we have not yet been able to examine the representatives of the departments and otherwise to conclude our enquiries, amount to Rs. 36,14,03,000, of which Rs. 21,87,28,000 is non-voted and Rs. 14,26,75,000 voted.

(5) *Sources of information.*—The main sources of information to which we had recourse in pursuing our investigations were : (i) the Report of the Inchaape Committee, (ii) Detailed Estimates for Grants for 1931-32, (iii) Mr. Jukes' Review of the Civil Expenditure of the Government of India in the six years ending 1929-30, (iv) Lists of officers and establishments, (v) Written replies of the departments to our questionnaires, and (vi) the evidence of the official witnesses who appeared before us. In addition, memoranda from the departments on the question of a 10 per cent. reduction were also supplied to us, but we must mention that these documents have been of little help. The departmental replies to the questionnaires and the evidence of the officials with a few exceptions all tended, perhaps naturally, to uphold the view-point taken in the memoranda relating to the 10 per cent. cut. We have proceeded on the basis of a financial situation which the Hon'ble the Finance Member at

*(NOTE.—Expenditure charged to capital and disbursements of loans and advances have been left out of account in the above-quoted figures.)

the meeting of the Retrenchment Advisory Committee on the 25th of May described as a "national emergency," a view which he repeated to us since on more than one occasion at the meetings of our Sub-Committee.

(6) *Principles on which economies should be effected.*

Equality of sacrifice.

On the 7th of July 1931, after mature consideration, the Sub-Committee adopted the following resolution which was communicated to the press:—

"(I) A great deal of misapprehension and feeling of uneasiness appear to have arisen in the public mind as well as among the staff both of the higher and the lower grades as to the methods which we intend to follow. We want first of all to assure the public and those more immediately concerned that in pursuing our enquiries we have the following general principles and mode of action in view:—

- (1) We shall deal as fairly and equitably as it lies in our power between different classes of employees of Government from top to bottom and save, as far as we can, without undue hardship to any class or individual.
- (2) As for the procedure, we propose to pursue simultaneously two ways of approach in order to find out how far we can reach the maximum amount of economy without injuring the best interests of the country and having in regard the consideration mentioned above. The two methods are:—
 - (a) a percentage cut in all salaries, concessions and allowances, perhaps upon a graduated scale; and
 - (b) by cutting off what are really superfluous activities or suspending activities, which are possible of suspension, for a term of years without much loss and by reduction of the officers, staff and establishment and other heads of expenditure, in so far as these objects can be effected without jeopardising the efficiency of Government.

In connection with 2 (a), *i.e.*, a percentage cut, the co-operation of all the services, superior and subordinate, will become necessary, and we should like to express a hope that such co-operation will not be wanting. We believe, public opinion generally will approve this method.

As for 2 (b), this enquiry will not only be helpful in securing economies for the present financial needs, but is of great importance in reorganising and readjusting those activities of Government, which fall within our cognisance, on a level which will afford the best chance of their being of benefit to the public without imposing an unnecessary burden on the resources of the country.

Investigations of the last category will obviously require considerable time and careful thought and deliberation.

Compensations.

Further, we shall have to consider in this connection the question of reasonable compensations to be given to those who will be affected by our proposals and that will necessarily reduce the savings.

Economic basis of pay of future entrants.

Lastly, we shall take up the question of pay of future entrants to the public service with a view to place it on an economic basis.

(II) The General Purposes Sub-Committee is of opinion that pending its report it is undesirable :—

- (1) that apart from any question of policy or clear administrative necessity any vacancies should be filled or extensions granted except on a provisional basis :
- (2) that any fresh commitments or contracts should be incurred of any sort, except where absolutely imperative ; or
- (3) that any member of the staff or establishment be discharged by way of retrenchment."

(7) *Percentage cut.*—Of the total budget under our purview Rs. 7.83,31,000 is absorbed in the pay (including "overseas pay"; "special pay", "personal pay" and leave salaries but not pensions) of "officers" and "establishments". Though we have carefully refrained from recommending any large reduction of the personnel, except in some isolated cases where it is fully justified by especial circumstances, and our proposals generally will mainly affect men on the verge of retirement, a substantial scheme of economy like ours necessarily entails considerable hardship to a large number of public servants. We have throughout our deliberations attached the greatest importance to the principle of equality of sacrifice and to the methods by which retrenchment is to be carried out. The Sub-Committee in order to ensure equality of sacrifices no less than for the paramount purpose of balancing the budget would like its recommendations for an all-round percentage cut in pay to be treated as an important and integral part of its report. It has been suggested to us that resort to such a measure should not be had unless and until it is found that sufficient economies cannot be secured by the contraction of certain non-essential activities and by the reduction of staff in such cases and in the others where there has been an overgrowth. We have been unable to accept this view and hold that both the processes should be applied simultaneously. In the first place, it would not be possible without having recourse to both the expedients to balance the budget, even if we were to cut out altogether a number of existing activities of the Government. The latter possibility, however, this Committee is not at all prepared to contemplate. Mr. Nixon, our official colleague, is of opinion that several of the scientific departments, which he apparently regards as being more or less non-essential, should be suspended for a term of years or closed down altogether because of the financial necessities. Such a view, in the first place, either necessarily minimises the intimate connection between much of the scientific work directed or encouraged by the Government of India and the economic development of the country or pre-supposes that the two aspects are capable of being separated. Further, taking a broad view of the manifold needs of India both in the present and in the near future it is possible only in rare cases to discriminate between the various activities of the Government of India for the purpose of classifying them into essential and non-essential. Again, we do not believe—indeed we have not been so advised—that India's financial position, grave as it is, is such that Government must denude itself of all its legitimate functions other than the maintenance of law and order. The day such a crisis is reached, justification for the existence of a civilised Government in India for any purpose whatever should have largely

disappeared. We have, therefore, acted upon the view that while it is but right that in a time of extreme financial stress such as the present, the undertakings and commitments of Government should be curtailed as much as possible according to the special circumstances of each case and new commitments ruled out altogether, it is obvious to us that all departments of Government should equally be called upon to make sacrifices at this juncture, just as in the case of the official personnel not merely the men whose services have to be dispensed with through no fault of their own but those who will remain on, must bear their fair share of the burden.

(8) *Constitutional aspect*.—It has been said that the pay including 'over-seas pay' of both European and Indian officers of the All-India and a few other services is protected by the Government of India Act against an emergency percentage cut and that no effect can be given to any recommendations in this connection, unless the Secretary of State for India agrees to get the Act suitably amended by the British Parliament. The Sub-Committee desired to be placed in possession of the opinion of the Law Officers on the point which, we were told, had been obtained; but it was not produced on the ground that "the Government of India were precluded from showing the opinion of the Law Officers of the Crown to the Committee," though we note that the opinion of the Law Officers on a similar question was supplied to the Lee Commission. In any case the Sub-Committee must recommend that the Secretary of State be asked to take the necessary action in the matter. The Committee is in fact surprised that a percentage cut in salaries and allowances, being so obvious, equitable and inexpensive a method to adopt in such an emergency, the Government of India should not, like the governments of other countries such as Japan, Italy and Australia have had recourse to this expedient, *suo motu*. A moderate cut in the salaries for, say, two or three years would cause the least amount of suffering and at the same time avoid any risk to the efficient functioning of government that might be involved in an excessive contraction of its activities and man-power.

(9) *Treatment of Scientific activities*.—We should here mention that hitherto we have been able to examine mostly the activities of the departments of Education, Health and Lands and Industries and Labour. In dealing with the scientific activities of the Government of India we have carefully scrutinised each case with an anxious desire not to cripple them, and it is only to the extent that we were satisfied that some of the aspects of this class of work—to which we attach great value—could at this stage be safely curtailed or slowed down or the staff reduced to smaller proportions without any loss whatever to the country, that we have made recommendations to that effect as in the case of the Geological Survey and the Survey of India. Further, with regard to some sections of the work of several scientific departments of the Government of India, the Sub-Committee have formed the opinion that they could now be better developed by the universities and at a less cost and we have therefore recommended that the Indian universities, like other universities, should be encouraged in all suitable cases to undertake such work. With regard to medical and public health, which are transferred provincial subjects, we have recommended reduction of the establishments of the Government of India to what is necessary to enable the Central Government to carry out such functions as still appertain to them.

(10) *Treatment of educational and scientific institutions.*—With respect to grants-in-aid to educational and scientific institutions the position is that Government having once made a grant, whether recurring or non-recurring, do not exercise control and supervision over the way it is spent with the result that institutions like the Aligarh, Benares and Delhi Universities, the Indian Institute of Science, Bangalore, the Indian Association for the Cultivation of Science, Calcutta, the Bose Research and the Bhandarkar Oriental Research Institutes have made programmes of their own on the assumption that the grants would be continued as promised. It is not open to us to say, any more than it is to Government themselves, whether or how far these institutions could curtail, slow down or suspend such programmes. The only feasible course left to the Sub-Committee in these circumstances was to recommend that Government should, if they consider it expedient, negotiate with these bodies and try to persuade them, if possible, to contribute their quota towards meeting the national exigencies.

(11) *Civil Aviation and Broadcasting.*—In the Department of Industries and Labour we have been confronted with a new and costly programme of Civil Aviation, with its concomitant effects in considerably expanded meteorological and wireless services and another new scheme, *viz.*, Broadcasting, though much less costly. Neither of these ventures, whatever their other merits, is likely to be self-supporting within the next five years or so, and we have, therefore, recommended that they should be held in abeyance for the present, but, in the case of the State Air Service, upon certain specific conditions.

(12) *International Conventions.*—The Committee would here observe that modern developments in Europe are constantly dragging India into activities, which, while clearly beyond her limited and inelastic resources, do not hold out a reasonable prospect to the country of adequate corresponding benefits. The Committee is further obliged to note that India having been given the status of an original member of the League of Nations its direct and indirect effects have so far served to saddle her with extremely onerous obligations which seem to be daily on the increase. Having regard to the fact that the country has reached the limits of her financial capacity, the Sub-Committee recommends that the Government of India should rigorously curtail their expenditure in these respects and set their face resolutely against any such further commitments, at least for some time.

(13) *Proposal regarding a "cut" in pay.*—We have not yet held any enquiry into the question of fixation of pay for future recruits to the public services, but have examined the scales of pay of "officers" and of "establishments" in the Government of India. We have no hesitation in recording our opinion that they are pitched high enough to bear substantial percentage cuts without causing any serious inconvenience to the staff. (We may mention that we have made full allowance for the recently increased taxes on income and import tariffs on certain articles of luxury such as wine, tobacco, etc.) In the case of men on the lower grades of pay, the unprecedented fall in the prices of food-stuffs should, to some extent, palliate the hardship of a percentage cut. Further, with the exception of Mr. Nixon, we have no hesitation in recommending that in a financial crisis of this magnitude the costly

concessions' known as the Lee Concessions (excepting those in the form of increased salaries which, pending consideration of the general question relating to pay and allowances, would be subjected, as proposed by us, to percentage cuts) should be withdrawn.

(14) *Principles upon which retrenchment of the staff is to be carried out.*—As for the way in which retrenchment of the personnel should be carried out, our proposals would show that either certain individual posts held by officers have to be abolished or certain proportions of the "officers" and the "establishments" have to be cut out. In the latter event we recommend that the following order should be observed, as far as possible, in retrenching the staff :—

- (a) men who have earned their full pensions or have nearly completed their term of service,
- (b) men who are employed for a fixed temporary period in connection with work of a temporary character,
- (c) men with less than 25 years' service including those who, though borne on the temporary list, are virtually regarded as part of the permanent staff or as probationers.

In selecting men under each of the above categories the departments will no doubt first of all get rid of men who have proved to be hopelessly inefficient.

The Sub-Committee further recommends that, wherever practicable, due regard should be had by Government to its policy relating to the Indianisation of the services and the redress of communal inequalities.

(15) *Compensations.*—In the case of retrenched posts held by the members of the All-India and other civil services employed in the Government of India, the officers would automatically revert to their cadres and no question of compensation ordinarily arises. A similar arrangement is possible with respect to many of the military officers employed on the civil side. As for the other cases, those falling in category (a) of the preceding paragraph present little difficulty; they should be retired on full pension. For categories (b) and (c) the existing rules, which were meant to meet a few isolated cases, are not sufficiently liberal to meet the present situation involving large-scale reduction of staff. A consequence of our recommendation is that a considerable number of government servants will be thrown out of employment, and, in the ordinary course, would receive an ordinary pension or gratuity under the rules. We consider that in present circumstances this will result in an intolerable situation, and we would therefore recommend that an improvement in the terms of dispensing with the services of lower paid staff should be effected on the following lines: that all staff retrenched and drawing at the time of retrenchment not more than Rs. 200 should receive a pension of 50 per cent. of their pay, while those drawing between Rs. 200 and Rs. 500 should draw a pension of at least 33-1/3 per cent. of their pay. For those in receipt of over Rs. 500 the ordinary rules would operate together with such compensation in the form of a gratuity which Government may find the financial circumstances permit.

Mr. Nixon sees considerable difficulties in this, firstly, in the extra expenditure involved which will neutralise the estimated savings and, secondly, in its consequences on practically the complete stoppage of recruitment of youths coming out of schools and colleges.

(16) '*Allowances*', '*Contingencies*', '*Supplies and Services*' etc.—Besides the pay of officers and establishments the budgetary demands within the cognisance of our Sub-Committee account for Rs. 1,44,27,000 under the head '*Allowances and Honoraria*', and Rs. 2,30,67,000 under '*Contingencies*' and '*Supplies and Services*'. '*Other charges*' and '*Miscellaneous*', even when they form genuine expenditure, account for a substantial percentage of the total budget. With respect to these items we must observe that not only do the '*Detailed Estimates for Grants*' give no particulars, but we have not yet been able to get sufficient details otherwise, to enable us to form a definite and satisfactory estimate of the economies possible under these heads. We have, therefore, been obliged to base most of our recommendations with respect to such items of expenditure more or less on a general appreciation of what reductions are possible in view of contracted activities or reduced staff. In some cases allowances and honoraria amount as much as to 7·16 lakhs (Survey of India), and 1·43 lakhs (Geological Survey) and Contingencies and '*Supplies and Services*' to 7·05 lakhs (Taxes on Income) and 4·98 lakhs (Mint). A mere look at these figures suggests that this form of budgeting is not fair to the Legislature or the general public. The main particulars should be available in a handy form, if not in the Detailed Estimates, at least in a separate pamphlet.

(17) *Lack of adequate information*.—At an informal meeting of our Sub-Committee as far back as the 25th of May 1931, a form like that of appendix (B) of the Inchcape Committee's Report was handed over to the Finance Department with a request that the Sub-Committee might be supplied with up-to-date information under the different heads "number of permanent and temporary staff", "pay proper", "special pay or duty allowances", "compensatory or local allowances", "house rent", "travelling allowances", "total of pay and allowances". We also specially asked for figures showing the cost to Government of what are known as the Lee Concessions. But they have not yet been supplied to us. In connection with the Lee Concessions in particular there is a volume of Indian opinion which regards them as an unfair burden on Government revenues. We have recommended the withdrawal of the Lee concessions, as mentioned in para. 13, but, in the absence of the necessary information we are unable to calculate the total savings. The amount however would be considerable. We further understand that since the Lee Commission's Report considerable additions have been made to the list of concessionaires.

(18) *Suggestions for increasing the revenue*.—As one of the main objects of this enquiry is to enable the Government of India to balance their budget, the Hon'ble the Finance Member agreed that it was open to this Sub-Committee to make suitable proposals for increasing the revenue within the limits of such activities as fell within their purview. We have made certain recommendations accordingly in this connection. We shall mention here only two striking cases. The mineral wealth of the country, which it is the special function of the Geological Survey to help in developing, is at present being leased out to prospectors on unduly favourable terms and we have, therefore, recommended that the entire mineral policy of Government should be revised at a favourable opportunity with a view to enhance the revenues derived from this source.

There is another source of revenue which has been neglected by the Government of India. Pensions and leave and deputation salaries and allowance payable outside India have been exempted by special notifications from taxes payable under the Indian Income-tax Act. For such exemption we can find no justification whatever. We have recommended that the exemption be withdrawn and taxes on these incomes and salaries be deducted at the source according to law. We estimate that a sum of about 50 lakhs will then be added to the revenues of the Central Government.

(19) *Delhi-Simla move.*—The Committee considers that in the cause of economy something should be done to mitigate the waste involved in the costly city of New Delhi remaining virtually untenanted for a greater part of the year, and to save as much as possible of the large amount of money and loss of time involved in the two annual moves of Government of India offices between Delhi and Simla. Departments should, in the view of the Committee, be left in Delhi all the year round, and Government should be taking the necessary steps towards this end. For the present, as many of the departments (and particularly the attached offices of the Government of India) should remain in Delhi as Delhi will accommodate. The Committee is given to understand that inadequacy in the supply of fresh water has been advanced against such a step, but it believes that this position could be, at any rate partially, met by enforcing reasonable restrictions on its use during the cold season. In the meantime and until Delhi is fitter to accommodate all the Government of India for the whole year, as many other departments as possible should be left in Simla all the year round.

(20) *Rent for Government buildings occupied by officers.*—Fundamental Rule 45-A-II reads as follows :—

“ For the purposes of the assessment of rent, the capital cost of a residence owned by Government shall include the cost or value of sanitary, water supply and electric installations and fittings, but exclude the cost or value of the site (including expenditure on its preparation) ; and shall be either —

(a) the cost of acquiring or constructing the residence and any capital expenditure incurred after acquisition or construction : or, when this is not known.

(b) the present value of the residence.”

The above rule shows that the value of the site is excluded for the purposes of assessment of rent of Government residential buildings. The value of the site and the grounds attached to the bungalows of officers, which are invariably located in the best localities in a town, is always very high. The effect of the rule is that Government loses a certain amount of revenue as the assessment of rent on such buildings is made merely on the capital cost of the buildings. We recommend that all residential buildings should be assessed on the capital cost of the building *plus* the cost of the site and the grounds, and the officers occupying them should be charged rent on that basis.

(21) *Savings.*—On the basis of our proposals the immediate reduction of expenditure with effect from the 1932-33 budget will be 121·21 lakhs. (See statement on page 70.) In this connection we ought to add that our calculation of the reduction of expenditure or of savings on account of pay does not take into consideration the proportion of probable savings on account of the

retrenched staff. The reduction of expenditure and the savings worked out by us are therefore slightly on the higher side. But in view of the fact that "probable savings" are not always shown in the detailed estimates and, even where shown, are not always accurate, we had no alternative but to leave this factor out of our calculation. The margin of difference which this will make in our estimate of reduction of expenditure and of savings will not, however, be wide enough to affect the value of our calculations materially.

(22) *Frame-work of each chapter.*—We have had to consider the question whether we should give the more important details of the processes leading up to our conclusions or should give only a broad outline and the probable total reduction or saving of expenditure in each grant. The Sub-Committee (with the exception of Mr. Nixon) has throughout held that in fairness to the departments as well as the general public important details should be set forth in the report to enable them to see how the Sub-Committee arrived at its conclusions and its estimate of savings. Hence, under each chapter we have tried to explain the grant and to describe the functions, organisation, growth of staff and expenditure and to explain the important details, on which our proposals are based. Wherever necessary, other information has also been given.

(23) *Saving clause.*—In submitting this interim report the Sub-Committee reserves to itself the liberty to make such modifications as may be found necessary after a study of the subjects that have not been dealt with so far.

(24) *The late Mr. K. C. Roy.*—We have only to add that after the whole of this interim report was adopted by us and, with the exception of this chapter, was sent to the Press, our esteemed colleague Mr. K. C. Roy suddenly passed away before he could sign the report. He was in complete agreement with the majority view on every point.

(25) *Appreciation of Secretary's work.*—The Sub-Committee also wishes to record its high appreciation of the ability, knowledge and unsparing industry with which our Secretary, Mr. S. P. Shah, I.C.S., discharged his onerous duties throughout the proceedings.

Statement showing the attendance of members at the meetings.

Names.	30th June to 25th July.	6th August to 4th September.	10th September.	11th September.	16th September.	Remarks.
Days of sitting ..	21	23	1	1	1	
Sir Abdur Rahim* ..	21	22	..	..	1	*Could not attend the morning sittings on 27th, 28th and 31st August and September 2.
The Hon'ble Lala Ram Sarandas.	15	11	..	..	1	
Mr. Rangaswamy Ayan-ger†	10	..	..	..	..
Mr. S. C. Mitra ..	21	20	1	1	1	† Sailed for England on the 15th August to join the Round Table Conference.
Mian Mohammad Shah Nawaz. ‡	7	3	1	1	1	
Mr. K. C. Roy§ ..	19	23	..	..	..	‡ Was a member of the Frontier Regulations Committee and began to attend our Committee from 13th July 1931.
Mr. Harbilas Sarda ..	15	19	1	1	1	
Mr. Ramsay Scott ..	21	20	..	..	1	
K. B. Hafiz Wilayat-ullah.	13	19	..	..	..
Mr. J. C. Nixon ..	21	23	1	1	1	§Died on 7th September 1931.

CHAPTER II.

GRANT NO. 17.—TAXES ON INCOME.

1. *History*.—Prior to the Reforms income-tax was a “divided” head, the cost of collection and the revenue being shared by the Central Government and the Provinces. Except in the Presidency towns and a few other large towns, where special whole-time income-tax staffs were employed, the assessment and collection of income-tax were in charge of the district revenue staffs. Centralisation began before the introduction of the Reforms and was gradually carried out. With the exception of a small portion of Burma and the hill-districts of the United Provinces the administration is now entirely central.

2. *Organisation*.—Five of the nine major provinces have a whole-time Commissioner of Income-tax for the province. In the United Provinces the Commissioner works also as Opium Agent and in Burma as Commissioner of Salt Revenue. In Assam the Director of Land Records is, *ex-officio*, Commissioner of Income-tax for Assam and the Local Government are paid Rs. 5,000 as the Government of India’s share of this officer’s pay and allowances. The Commissioner of Income-tax, Punjab, works also as Commissioner for Delhi and for the North-West Frontier Province. In the other minor administrations income-tax work is done by the Chief Commissioner (in Ajmer-Merwara by the Commissioner), generally speaking, through the agency of one or more income-tax officers.

The Commissioner has under him a certain number of Assistant Commissioners, Income-tax Officers, Assistant Income-tax Officers, Examiners of Accounts, Inspectors and ministerial and menial staff. (*Vide* Statement A.)

3. *Growth of expenditure*.—The expenditure on the Income-tax Department and the revenue from taxes on income have grown as below (the figures are in thousands of rupees) :—

—	1913-14.*	1922-23. (estimate).	1924-25.	1931-32. (estimate).
(a) Expenditure	4,69	47,01	60,38	77,26
(b) Revenues (after deducting refunds)	2,90,52	22,33,11	16,01,48	17,44,54†
(c) Percentage of expenditure to revenue	1·7	2·1	3·8	4·4

* The 1913-14 figures have been borrowed from the Inchcape Committee’s Report and include the share of the provinces in the expenditure and the receipts.

† With effect from 1st April 1931 the rates were enhanced considerably.

4. *Proposals*.—(i) As regards retrenchment, we recognize that of all the revenue-earning departments the Income-tax Department is perhaps the least amenable to a reduction of personnel. In the absence of detailed material all we can do is to enunciate a few broad principles and in the light of such relevant material, as we have been able to collect, to propose certain minor but specific economies.

(ii) We think that *prima facie* two Commissioners' charges can be abolished. We observe that, judged by various criteria, the Central Provinces and Bihar and Orissa are the least important and appear to us to offer scope for such action. (*Vide* Statement A.) In the course of the oral evidence the Central Board of Revenue told us that the amalgamation of the Assam Commissioner's charge with that of the Commissioner of Income-tax, Bengal, was already under its consideration. If such amalgamation is found to be productive of economy, it should be brought about. But, since Bengal is a heavy charge and the cost of the present arrangement is only Rs. 5,000 per annum, we advise that the proposal should be considered carefully.

(iii) Further, we observe that expenditure is growing apace. From 47·01 lakhs in 1922-23 it grew into 60·38 in 1924-25, 70·35 in 1929-30 and now stands at 75·87 lakhs. The ratio of expenditure to revenue has more than doubled since 1922-23 and is rising.

As a measure of financial necessity we propose that the income-tax personnel be reduced by (a) $7\frac{1}{2}\%$ in the case of all officers of gazetted rank and (b) 10% in the case of others. We intend this proposal to apply to all the provinces and the minor administrations.

(iv) We have scrutinised the staffs for the provinces of Bombay and Bengal: to us they appear to be excessive. We recommend that the strength of the income-tax staffs in these provinces be particularly scrutinised and, if feasible, reduced more than proportionately to the general reduction we have proposed above. (Statement A may be seen in this connection.)

(v) We observe that in certain provinces there are some posts on scales of pay outside the regular scales. Thus, in Bombay there is one post of Income-tax Officer on Rs. 1,500—100—2,000 (the standard Bombay scales being Rs. 300—50—600—50/2—700 and Rs. 750—50—900). The incumbent of this post is getting a pay of Rs. 2,000. In Bengal there are two posts of Assistant Commissioner on Rs. 1,500—100—2,000 as against the standard scale of Rs. 1,000—100—1,500. In our opinion these and similar posts should be abolished forthwith.

(vi) We were assured by the Hon'ble the Finance Member that we were not precluded from making proposals (relating to the subjects under our purview) for action whereby revenues could be increased. We observe that leave and deputation salaries and pensions paid to Government servants abroad are exempt from the Indian income-tax. For the sake of uniformity the scope of such exemption has had to be extended in recent years with the result that vacation salaries to judges and leave salaries and allowances paid abroad to the employees of private firms and individuals are also exempted. In the absence of arrangements for relief from the payment of double income-tax there may have been some justification for such exemptions; in our opinion there is no such justification now. We recommend that salaries, allowances, pensions and similar payments, from Indian revenues or from the funds of commercial bodies and individuals in India, should, even when these are paid abroad, be made subject to the Indian income-tax which should be deducted at the source. There may be technical difficulties, but these must be overcome. If necessary, India may be declared by law to be the locus of payment. Mr. Nixon prefers at this stage not to commit himself on this matter.

(vii) We further agree that Government should explore the possibility of levying the Indian income-tax on the interest of their securities, even if

such interest is paid out of India. On this matter also Mr. Nixon prefers to reserve his opinion.

(viii) In our opinion the existing convention between India and the United Kingdom for the grant of relief from double income-tax does not secure to Indian revenues the full benefit which they would get if the convention were, *in practice*, really reciprocal. The disadvantage to Indian revenues results from the fact that as against the scores of companies which are controlled from the United Kingdom but operate mainly in India there are few concerns controlled in India and operating in the United Kingdom. We recommend that action should be taken as early as possible to ensure that the Double Income-Tax Relief Convention with the United Kingdom does not operate, in practice, to the disadvantage of India.

(ix) We are unable to work out the total additional revenue which would accrue if effect were given to our proposals in sub-paragraphs (vi), (vii) and (viii). But in paragraph 18 of Chapter I we have estimated that additional revenue of about 50 lakhs can be secured if effect is given to our proposal in paragraph 4 (vi) of this Chapter.

5. *Summary of savings.*—On our proposals relating to retrenchment we estimate that there should be a reduction of expenditure of 7 lakhs including the reduction of expenditure on allowances and contingencies. We recommend that the 1932-33 budget be reduced by this amount.

Statement A.

Serial No.	Administrative Units.	Number of assessors.	Net collection of income-tax and super-tax (in lakhs).	Number of Assistant Commissioners.	Number of I. T. Os. <i>plus</i> Assistant I. T. Os. (if any).	Number of Examiners of Accounts and Inspectors (including non-gazetted I. T. Os.	Number of ministerial establishments other than examiners.	Percentage of expenditure to net revenue.	
								1924-25.	1929-30.
1		2	3	4	5	6	7	8	9
1	Madras	42,036	1.43	4	52	37	273	7.6	4.8
2	Bombay	73,307	3.74	7	47+1	133	466	3.4	4.6
3	Bengal	47,989	6.02	7	35+24	50	401	..	1.4
4	United Provinces ..	25,773	90	3	41+7	..	184	7.07	5.8
5	(i) Punjab	25,918	64	3	37+11	44	204	8.3	9.3
	(ii) N. W. F. P. ..	3,102	10						
	(iii) Delhi	7,409	22						
6	Burma	27,791	1.81	5	43+8	43	167	3.4	4.87
7	Bihar and Orissa ..	14,591	51	2	17+3	11	92	6.1	5.7
8	C. P. and Berar ..	14,047	40	2	16	20	80	7.2	9.9
9	Assam	5,407	32	1	6	4	38	12.2	5.98
10	Baluchistan	485	2	..	1	..	4	..	..
11	Ajmer-Merwara ..	569	3	..	..	1	7	..	..
12	Coorg	151	24	..	..	..	1	..	..
13	Mount Abu	26	05	..	..	..	..	..	..
14	C. & M. Station Bangalore.	724	3	..	..	..	6	..	..

CHAPTER III.

GRANT NO. 20—STAMPS.

1. *Explanation of the grant.*—This demand does not take note of the expenditure on the administration of stamps in the minor administrations.

Besides the Central Stamp Store maintained by the Security Press at Nasik a reserve stamp depôt is being maintained at Calcutta in charge of a Storekeeper at a total cost of Rs. 9,000. Against this expenditure an amount of Rs. 17,000 is being recovered from the Posts and Telegraphs Department. Hence, the net expenditure is *minus* Rs. 8,000.

The provision of Rs. 5,000 (under "Superintendence") for loss on commercial undertakings represents the expenditure on account of the leave salary of the officers and staff of the Central Stamp Store at Nasik.

2. *Proposals.*—(a) As regards the Reserve Stamp Depôt at Calcutta, we agree that it should be maintained. We have no recommendation to make for the reduction of expenditure on this depôt.

(b) Pending receipt of a further communication which has been promised by the Finance Department, we are not in a position to make any recommendation regarding the Security Printing Press at Nasik. We shall deal with this in the second part of our report. *Prima facie* however, we are of opinion that the gross expenditure of this and of all other commercial undertakings should be submitted to the Legislature in the usual way.

CHAPTER IV.

GRANT NO. 21—FOREST.

1. *Organisation.*—The expenditure of 11·3 lakhs under this grant is incurred on the maintenance of (i) an Inspector-General of Forests (pay Rs. 3,250) and his office at a total cost of Rs. 63,400, (ii) two training colleges, one for Officers and the other for Rangers, and (iii) the Forest Research Institute. The expenditure on the Institute has been calculated to amount to nearly 9½ lakhs. The rest amounting to about 1·45 lakhs is the expenditure on the two colleges. In fact, the Institute is also utilised for training and it is not easy to apportion precisely the expenditure between the colleges and the Institute.

2. *The Research Institute.*—The Research Institute is located at Dehra Dun in buildings which have cost nearly a crore of rupees. It is organised in various sections in charge of specialists. The Forest Economist's section has in all 18 officers and a permanent establishment of 31. The Botanist's section has 5 officers and an establishment of 15. The Entomological section is manned by 4 officers and an establishment of 26. Sylvicultural work is in charge of 3 full-time officers and one extra officer for four months : the establishment in this section is 15. The sections have temporary establishments of varying strengths.

3. *Growth of expenditure.*—Up to the time when the Inchcape Committee reported, the Research Institute used also to train recruits for the provincial forest services in India. The expenditure on the Institute including its training side has grown as below :—

1913-14.	1921-22.	1922-23.	1924-25.	1929-30.	1931-32.
2.98,000	6.43,100	8.66,100	8,26,366	9.54,917	10,67,000

4. *Proposals.*—(i) As regards retrenchment we are unanimously agreed that the post of Inspector-General and his office should be abolished, saving Rs. 63,400. Such special advice as the Government of India require in future might be obtained from the Chief Conservator of Forests, N. W. F. Province.

(ii) We further observe that the Officers' College has only two men under training. We have reason to believe that several men with the necessary training to work as officers are at present awaiting employment. Recruitment to the Indian Forest Service has stopped. Under the new Constitution the superior forest service will no doubt be provincialised. Our opinion thus is that there is little scope at present for the absorption of men trained in the Officers' college in the superior forest service. Accordingly, we recommend that this college be abolished, provided that :—

(a) suitable arrangements are made for the completion of the training of the men already enrolled (we suggest that they might be given scholarships and sent abroad). and

(b) if the need arises again in future, the College will be reopened, or other facilities for the training up of Indians for the superior

forest services provided, *e.g.*, by the grant of foreign scholarships for study abroad. We were assured by the Inspector-General in the course of his oral evidence that, if necessary, the college could be reopened at short notice, provided the Research Institute was not abolished.

(iii) As regards the Rangers' College we observe that Madras and Burma Governments have their own arrangements for the training of subordinate officers. But, these will not, in our opinion, meet the needs of the whole of India. A centre for the training of men for the subordinate forest services for the northern provinces should be maintained. Our proposal therefore is that this college should be kept alive. But, since such training cannot be called a function of the Central Government, we recommend that Government should examine the financial position of the Rangers' College and take steps to secure that it does not prove to be an undue burden on the central revenues. We think that the provinces interested in its maintenance should be required to make contributions.

(iv) The Sub-Committee recommends that the Research Institute should be maintained. (For Mr. Nixon's view on this point *vide* sub-paragraph vi.) Not only the provinces but also the Central Government possess valuable forest properties, *e.g.*, in the Andamans and the North-West Frontier Province. Coorg also has good forests. Large sums have been invested for the exploitation of these properties. In the interests of revenue ($2\frac{1}{2}$ crores net) and of the general welfare of the countryside we consider it important that the forests should be scientifically dealt with. To this end we consider it essential that the Central Research Institute should be maintained.

(v) We, however, consider that the Institute has been conceived on ambitious lines. We are not in a position to evolve a detailed scheme for the administration of the Institute in the future. But in view of the financial necessity of Government, we think the expenditure on the Institute (excluding the Rangers' College) should be brought down from the present figure of about 9½ to 4 lakhs. We have asked the Department of Education, Health and Lands to put up a scheme costing about 4 lakhs for our consideration in connection with the second part of our report.

(vi) Mr. Nixon has some doubt on the points in sub-paragraphs (iv) and (v). At present he is inclined to the view that in the present financial circumstances the entire Institute should be closed down.

(vii) We further suggest that, in case it is decided to locate the proposed Indian Military College at Dehra Dun, the advisability of utilising the buildings of the Institute for the purposes of that College might be considered. The Institute might then be shifted to any other convenient buildings.

5. *Summary of savings*.—On our proposals the 1932-33 budget will be reduced by (a) Rs. 63,400 on the Inspector-General and his office, (b) Rs. 5,25,000 on the Institute, and (c) Rs. 72,600 (approximate) on the Officers' College=6.61 lakhs.

CHAPTER V.

GRANT NO. 28.—EXECUTIVE COUNCIL.

1. *Explanation of the grant.*—The total provision is Rs. 5,79,000. Apart from the provision of pay for six members at Rs. 6,666-10-8 p. m., the only items of expenditure are :—

- (i) travelling and other allowances—Rs. 6,200,
- (ii) tour expenses (Rs. 56,100) and expenditure on account of special saloons (interest, maintenance etc.) (Rs. 34,900)—Rs. 91,000,
- (iii) passage contributions of the three I. C. S. Councillors—Rs. 1,800.

2. *Proposals.*—(i) In our opinion it is unnecessary to have four specifically reserved saloons for the six members. It should be possible to utilise the Railway Department saloons for the members' tours. When travelling on duty the Councillors should have a prior claim on the saloons maintained by the railway concerned. We therefore recommend that arrangements on these lines be made as early as possible. We think the Railway Department ought, in due course, to be able to absorb the saloons back into their general stock of saloons.

(ii) Government should consider whether it is essential to continue the concession of the Fundamental Rules in the matter of house-rent to the Hon'ble Members of the Council and why they should not pay full economic rent for their houses.

CHAPTER VI.

GRANT No. 32-B.—BUREAU OF PUBLIC INFORMATION.

1. *Functions*.—The main functions of this Bureau are to compile the annual publication on the moral and material progress of India (this is a statutory duty of the Government of India), to make and supply to departments cuttings from newspapers and thus keep them in touch with public opinion in India and abroad, to keep opinion abroad in touch with developments in India, issue explanations, supply digests of important reports, resolutions and notifications and generally to do publicity on behalf of Government with the object of keeping the public informed of the policy of Government and to correct misapprehensions or misrepresentations in regard to it.

2. *Organisation*.—The Bureau is in charge of a Director (pay Rs. 2,000—2,250). He is assisted by a Deputy (pay Rs. 1,200—1,500). The ministerial establishment of 15 costs Rs. 32,900 and the menial establishment of 12 Rs. 2,800. There is also a provision of Rs. 1,100 for temporary establishment. Other charges cost Rs. 60,500: details are given in *a, b, c, d* and *g* of para. 4 (*iii*).

3. *Growth of expenditure*.—The 1931-32 grant is Rs. 1,38,700. The budget provisions for 1922-23, when the Bureau was still on a temporary basis, was Rs. 1,02,300. Actual expenditure in 1924-25 was Rs. 1,33,061 and in 1929-30, when the "peak" was reached, it was Rs. 1,56,311. The Home Department have offered a reduction of Rs. 27,300.

4. *Proposals*.—(i) As regards the functions of the Bureau we wish to record our opinion that "publicity" work is often liable to be interpreted as "propaganda", and is not so useful as regular communiqués issued by the responsible departments concerned: in some cases it is positively harmful. The policy in this respect should therefore be reconsidered by the Home Department. Mr. Nixon prefers not to express an opinion on the Sub-Committee's views in this sub-paragraph.

We further recommend that every endeavour should be made to bring out the annual publication on the moral and material progress of India as soon as possible after the close of the year which it reviews.

(ii) Sir Abdur Rahim, Mr. Nixon, and Mr. Mitra are in favour of abolishing the Bureau: in their opinion the work can be done without maintaining a permanent establishment. The other members are in favour of maintaining it. Sir Abdur Rahim and Khan Bahadur Wilayatullah are further of the opinion that "if the Bureau is to be maintained, more than one officer should not be necessary, provided of course the officer selected has sufficient literary equipment for producing the annual publication (called "India") on the moral and material progress of the country in a readable and interesting form." All other members are for retaining two officers' posts.

(iii) The Sub-Committee unanimously recommends that the Bureau should in no case cost more than one lakh. With the exception of Mr. Nixon, who doubts the advisability of the Sub-Committee entering into specific details, all members agree that the following provisions

should be deleted or reduced, as shown below, in the 1932-33 budget:—

	Savings.
	Rs.
(a) Miscellaneous should be reduced from Rs. 18,200 to Rs. 10,000	8,200
(b) Publicity should be reduced from Rs. 19,000 to Rs. 9,000	10,000
(c) Travelling allowances should be reduced from Rs. 12,300 to Rs. 7,200	5,000
(d) Special cable service should be reduced from Rs. 9,000 to Rs. 3,000	6,000
(e) The provision for temporary establishment should be cut out <i>in toto</i> ; this will yield a saving of ..	1,100
(f) The establishments (excluding the post of the photographer which the Home Department have offered to abolish) should be reduced by 10 per cent. This will lead to a saving of	3,230
(g) The photographer's post should be abolished and the provision of Rs 2,000 for the purchase of photo materials should be deleted. This will yield a saving of	6,200

NOTE.—Our proposals incorporate all the economies offered by the Home Department.

(iv) *Summary of Savings.*—The total reduction of expenditure with effect from the 1931-32 budget will be Rs. 39,730 = nearly 28½ per cent. of the 1931-32 budget. The 1932-33 budget should be reduced accordingly.

CHAPTER VII.

GRANT NO. 32-C.—INTELLIGENCE BUREAU.

(1) *Functions*.—This Bureau is maintained for the purpose of securing an effective interchange and co-ordination of intelligence, particularly in regard to communism and terrorism, between intelligence organisations in India *inter se*, and between these and intelligence systems abroad. Its function necessarily keeps it in close relation with the Foreign and Political and the Army departments. A minor function is the examination of questioned documents.

(2) *Organisation*.—The Bureau is directed by a Director (pay Rs. 3,000 *plus* £13/6/8 overseas pay). He has a Deputy (pay Rs. 1,750—100—2,150 *plus* £13/6/8 O. P. *plus* Rs. 100 special pay) and a Personal Assistant (on the senior time-scale of the Indian Police Service *plus* Rs. 300, subject to a maximum of Rs. 1,100). These three posts are reserved for the Indian Police Service. There is also an Assistant Director (on Rs. 950—80—1,350 *plus* overseas pay), four other officers (on the pay they would draw in their provinces *plus* a special pay of 100 p. m.) and an Assistant Superintendent of Police (on the time-scale for the I. P. S. *plus* Rs. 150 special pay). The Bureau proper thus has nine officers. In addition there are two officers for the examination of questioned documents. The establishment of 98 consists of a Chief Superintendent, other Superintendents, clerks, etc., 4 Sub-Inspectors of Police, a photographer, 50 servants and a temporary establishment costing Rs. 3,100 per annum.

(3) *Growth of expenditure*.—The 1931-32 grant for this Bureau is Rs. 7,11,400. Actual expenditure in 1913-14 was Rs. 3,67,000. Since 1924-25 expenditure (both total and on certain items) has grown as below :—

—	1924-25.	1925-26.	1926-27.	1927-28.	1928-29.	1929-30.	1930-31 estimate.	1931-32 estimate.
Officers ..	1,48,298	1,63,333	1,45,966	1,67,869	1,87,224	2,13,023	1,63,000	1,50,200
Establish- ments.	90,490	1,07,001	1,12,415	1,29,286	1,36,552	1,60,714	1,64,400	1,63,600
Total expen- diture.	5,57,491	5,69,587	5,31,374	5,74,268	6,30,940	11,68,497	11,15,400	7,11,400

(4) *Proposals*.—(i) Omitting the provisions for fees for counsel for the Meerut conspiracy case and for secret service contingencies from the 1931-32 grant, Rs. 4.22 lakhs is the provision for the Bureau. This Sub-Committee is not in possession of the necessary data relating to the activities of the Bureau and therefore is not in a position to undertake a detailed examination of its budget. But it sees no reason why, when other departments are called upon to undergo heavy reductions, this Bureau should not bear its share of the retrenchment necessitated by Government's financial situation. Apart from the scales of pay and special pay on which this Sub-Committee will make its proposals separately, it recommends that a reduction of 10 per cent. in the grant of 4.22 lakhs for the Bureau proper should be made. This reduction should be in addition to the reduction of Rs. 5,200 on account of the fact that the supernumerary Superintendent of Police (for 4½ months) for whom that provision was made has now retired. In round figures, the 1932-33 estimates should be brought down to Rs. 3,75,000 *plus* the provisions for counsel's fees and secret service contingencies.

(ii) We further recommend that a serious reduction should be made in the provision (2.60 lakhs) for secret service contingencies also.

CHAPTER VIII.

GRANT No. 41.—CENTRAL BOARD OF REVENUE.

1. *History*.—The Board of Inland Revenue (only one Member) used to deal only with income-tax, the administration of which had been overhauled by the Income-tax Act of 1922. The Inchcape Committee recommended that it should also deal with customs, salt, opium and, in so far as they concerned the Central Government under the reformed constitution, stamps and excise. This recommendation eventually led to the establishment of the Central Board of Revenue.

2. *Organisation*.—It consists of two members drawn, as a rule, one from the Income-tax and the other from the Customs departments. The Members as well as the Secretary all belong to the I. C. S. None of the three posts is, however, reserved for the I. C. S. The establishment consists of one senior Superintendent (called Personal Assistant), two other Superintendents, 36 first and second division clerks, four stenographers and 29 servants. The temporary establishment of one Assistant and two clerks is practically permanent.

3. *Functions*.—The Board is, broadly speaking, only a co-ordinating and rule-making authority. In Income-tax, Opium and Salt matters it has no powers of appeal or revision. In Customs cases it has certain appellate powers, and as Finance Department (Central Revenues) it has some powers of revision. Apart from the supervision of the administration of the Opium Department, the Board's concern with opium and drugs is, broadly speaking, confined to the implementing of the international conventions relating to opium and narcotics. Other excise work is nominal. As regards stamps it makes rules for the supply of stamps from Nasik and issues exemptions and interprets the stamp law in its capacity as a branch of the Finance Department. The day-to-day administration of excise, stamps and opium in the minor administrations is a duty of the local authorities and not of the Central Board of Revenue.

4. *Growth of expenditure*.—Expenditure and staff have grown as below :—

(i) Expenditure (in thousands of rupees):—

					1924-25.	1926-27.	1931-32.
					Rs.	Rs.	Rs.
Pay of officers	..	..	..	..	116	139	156
Pay of establishments	..	..	..	..	59	81	95
Allowances, etc.	..	..	..	..	3	40	42
Contingencies	..	..	..	..	21	20	18
Grants-in-aid, etc.	..	..	..	..	..	..	1
Total					241	280	307

(ii) Staff :—

					Officers.	Assistants.	Clerks.	Servants.
1924-25	..	..	..	..	5	8	10	17
1931-32	..	..	..	..	6	17*	19*	29

*plus some temporary staff.

5. *Proposals*.—In the cause of retrenchment the Board has offered to cut out, as an experiment, its Secretary of the present status and one of the four stenographers and has offered some other minor economies.

The Central Board of Revenue is a comparatively recent institution and its

office is not large. All the same we think a considerable reduction of expenditure is feasible. Our proposals are :—

- (i) In the light of the material supplied to us including the oral evidence given by the Board we consider that there is no need to have two highly paid officers as Members. Its work is to a great extent purely administrative; its semi-judicial work is but slight. It is true that it functions not merely as an attached office but also as the Central Revenues Branch of the Finance Department. But, our view is that with suitable decentralisation the work which it *must* get is not more than one Member can cope with. We recommend that when the present senior Member retires, the Board should consist of one Member and not two. This Member might possibly be called Chief Commissioner of Central Revenues. Our colleague, Mr. Nixon, is not yet satisfied that a single member is a sound or a practicable arrangement.
- (ii) The Board is trying the experiment of carrying on its secretarial work with a senior Superintendent. In our opinion this is not a sound arrangement. In connection with our proposal that the Board should consist of only one Member we think that the Secretary should be an officer of seniority and experience and drawn from one of the major departments (*i.e.*, Customs and Income-tax) under the Board's control, and as far as possible the selection should be so made that if the Member is drawn from the Income-tax Department, the Secretary is drawn from the Customs Department and *vice versa*.
- (iii) The ministerial establishment should be reduced by one-sixth. The employment of additional temporary staff in connection with the budget session of the Legislature should, in our opinion, enable the Board to carry on its work with the staff reduced as proposed by us.
- (iv) In any case we consider that four stenographers are excessive and we propose that their number should be reduced to two.
- (v) We observe that one Superintendent's post is a recent creation. Early opportunity should be taken to abolish this post.
- (vi) We consider the provision of Rs. 15,000 for contingencies excessive. This provision should be reduced by Rs. 2,500 if the Board continues in future to move with the Government of India and by Rs. 7,500 if it does not.—In para. (6) we shall assume the former.

6. *Summary of Savings.*—On our proposals the savings (leaving out of account those resulting from the application of our general proposals) will approximately be :—

- (i) Rs. 42,600—Member and his passage contribution, (ii) Rs. 8,160—Superintendent, (iii) Rs. 1,400—leave salary, (iv) Rs. 6,600—two Stenographers, (v) Rs. 14,000—reduction of other establishment by one-sixth, (vi) Rs. 6,000—travelling allowance, and (vii) Rs. 2,500 contingencies=Rs. 81,760.

We recommend that the budget estimates for 1932-33 should be framed on the lines indicated in our scheme for retrenchment.

CHAPTER IX.

GRANT No. 45.—POLICE.

1. *Explanation of the grant.*—This grant of 1·99 lakhs does not deal with the cost of police administration in the central areas but only with the following items (estimated provision for 1931-32 is shown in brackets) :—

- (i) Baroda Cantonment Police (Rs. 8,500) ;
- (ii) Passport work done at Bombay (Rs. 7,000) ;
- (iii) Passport work done at Aden (Rs. 3,000) ;
- (iv) Lump sums paid (for the guarding of Central Government buildings, premises, etc.) to the following provincial governments :—
 - (a) Bombay (Treasury, Mint, Currency Office, Income-tax Office, Wireless Station at Karachi, Hedjaz pilgrim traffic arrangements) (Rs. 60,000).
 - (b) Bengal (non-commercial offices, Reserve Stamp Depôt, Hedjaz pilgrim traffic, share of civil offices located in the military secretariat buildings) (Rs. 93,000).
 - (c) United Provinces (Ghazipur Opium Factory, Currency Office at Cawnpore, Survey of India offices at Dehra Dun, escorting of cash from Almora to Muktesar) (Rs. 16,000).
 - (d) Punjab (Residence of Agent to the Governor General, archæological camp at Taxila, protection of Lahore Fort) (Rs. 8,000).
 - (e) Bihar-Orissa (Treasury guard at Pusa) (Rs. 2,000).
- (v) Other expenditure (Rs. 1,500).

2. *Proposals.*—A perusal of the list mentioned in paragraph 1) of the offices and buildings and central activities which are in receipt of special police protection shows that, in some cases, at any rate, the special police protection could be dispensed with or at least reduced. In other cases such protection could be afforded more economically by replacing the provincial police guards by ordinary guards recruited from, *e g.*, army pensioners, who could, wherever necessary, be specially empowered under the Police Act. In our opinion a saving of at least Rs. 30,000 should be possible in this grant and endeavour should be made to bring it about.

CHAPTER X.

GRANT NO. 48.—SURVEY OF INDIA.

1. *Explanation of the grant.*—The budget for this department for 1931-32 is as below :—

	Rs. lakhs.
Control and administration	1.61
Headquarters offices	11.61
Mathematical Instrument office	3.74
Survey parties	38.46
Works	1.19
English stores	3.95
<i>Deduct</i> —“ Probable savings ”	—2.20
Gross total	59.36
Recoveries from other departments, Governments, etc.	—17.86
Net total	41.50
Receipts	5.76

An analysis of the various elements making up these sums is complicated. The Committee contents itself with stating that the main items under Headquarters offices are the Drawing and Photo-lithic offices at Calcutta and the Geodetic Branch office at Dehra Dun. The field organisation consists of 14 parties and two Companies. The field units work in circles each with a local headquarter staff and drawing office.

2. *Organisation.*—The cadre of the department provides for the employment of 51 military officers as a military reserve, of which 14 posts are at present not so filled. The superior posts comprise a Surveyor-General on Rs. 3,250, seven Directors on Rs. 2,200—2,400 *plus* £13-6-8 and 33 Superintendents and Assistant Superintendents on rates of pay rising to Rs. 1,750 *plus* sterling overseas pay. The department is organised so as to supply fully equipped survey units in case of war. A certain amount of scientific work is done in the department apart from its main programme of surveying, map drawing and reproduction.

3. *Question of a military reserve.*—It is not within the powers of this Sub-Committee to investigate the manner of providing in civil employment for reserves of military officers. The Sub-Committee therefore proceeds to consider the survey needs and possibilities of India irrespective of that feature, and presumes that it will be accepted that a civil department should not be maintained merely in order to accommodate a specified number of military officers.

4. *Proposals.*—(i) In the view of the Sub-Committee it will be essential to maintain the following—

- Map Record and Issue office, at present costing Rs. 1.06 lakhs.
- No. 1 Drawing office in some form or other, at present costing Rs. 2.10 lakhs.
- Photo-lithic office, Calcutta, reduced from its present cost of Rs. 2.94 lakhs to Rs. 1.94 lakhs.

- (d) Mathematical Instrument office, at present costing Rs. 3·74 lakhs (exclusive of the expenditure on stores, etc., in England.) The Indian budget should be reduced to Rs. 3·50 lakhs at the most and the maximum provision for English stores for this office put at Rs. 2 lakhs.
- (e) Tidal party at a cost of Rs. 20,000.
- (f) Latitude detachment at Dehra Dun costing Rs. 34,000.

An endeavour should be made to make the price of maps (including those issued to Government officers and departments) cover the cost of (a) and the proportionate cost of (b) and (c). Item (d) may be taken as self-supporting. Item (e) is essential. Item (f) is of sufficient scientific importance to be retained.

(ii) It may be taken that the whole surface of India has at one time or other been mapped, and that present operations are of the nature of revising and improving the survey. These modern methods date from 1905 and five-ninths of the total area of India (including presumably the most important areas) have already been so dealt with. So far therefore as field work is concerned, only such parties as are engaged on work, not less than 2/5ths of the cost of which are recoverable, should be continued. These for the present would seem to be :—

					Rs lakhs.
No. 20 Party Cantonments	..	..	..	..	·75
No. 23 Party Navigation	..	..	..	..	3·46
No. 10 Party Burma and possibly No. 11 Party, if revived	..			..	4·99
No. 21 Party Forests, Burma	..	..		..	2·46

No. 18 Party and E & A Companies should be retained only if the Army Department is prepared to bear the full cost of its interest in the work, and only if its share comes to not less than 2/5ths of the whole cost which is 4·74 lakhs.

(iii) Circle headquarters, if such a restricted programme is accepted, should hardly be necessary at all, and, at any rate, except perhaps for Burma, all drawing work should be done at Calcutta. The geographical map work done at Calcutta should be limited by this fact and by the budget provision, subject perhaps to additions for any fully recoverable work.

(iv) The additional control and administrative staff should not be permitted to cost more than Rs. 60,000 and the remaining English stores should be met by a provision of Rs. 30,000.

(v) The Surveyor-General complained before the Sub-Committee that for persons engaged on outdoor survey work the present age of superannuation resulted in a lot of waste expenditure in his department. The Sub-Committee recommends that Government should consider whether any special rule should be made to meet this situation.

5. *Summary* :—In the total, the Sub-Committee's approximate estimate is that the gross cost of the Survey of India should not, for the present, exceed about Rs. 30½ lakhs and the net cost Rs. 14 lakhs. The proceeds of the sale of maps, etc. (Rs. 5¾ lakhs budgeted for 1931-32) would still further reduce the net cost. We have asked the Department to work out their scheme on these lines for our consideration in connection with the second part of our report.

CHAPTER XI.

GRANT NO. 49.—METEOROLOGY.

1. *Functions*.—This department was instituted in 1875 to combine and extend provincial meteorological activities. Its functions are (i) the issue of warnings of storms to ports, ships and coastal districts, and of heavy rainfall to the public, (ii) issue of weather reports and forecasts to the public and to aircraft, (iii) collection of meteorological data and climatological statistics, (iv) meteorological research with special reference to the tropics, (v) technical supervision of rainfall registration, (vi) a regular study of the sun and the determination of time and the issue of time-signals, and (vii) maintenance of seismological instruments at various centres.

2. *Air Navigation Convention*.—Prior to the advent of aviation there was a central office at Poona, five principal sub-offices at Calcutta, Agra, Bombay, Kodaikanal and Madras and 26 pilot balloon and 270 weather observatories all over India and Burma and in some of the countries to the west of India. Under the International Convention of Air Navigation, Government overhauled and extended the arrangements for the provision of meteorological facilities for the main international air route between Cairo-Karachi-Delhi-Calcutta-Rangoon. Forecast centres were set up at Quetta, Peshawar, Karachi, Delhi and Rangoon, and the existing offices at Calcutta and Poona were extended. A very large share of the sudden and heavy increase in the total expenditure was caused by the exigencies of aviation.

3. *Organisation*.—(i) The Department is administered by a Director-General of Observatories with headquarters at Poona. Meteorological offices or observatories or both are also maintained at the following centres, viz. :—

- (a) *Agra*.—Upper air observatory.
- (b) *Bombay*.—Observatories at Colaba and Alibagh.
- (c) *Calcutta*.—Observatory at Alipore.
- (d) *Madras*.—Observatory and Office.
- (e) *Karachi*.—Office.
- (f) *Kodaikanal*.—Solar Physics Observatory.
- (g) *Delhi, Quetta and Peshawar*.—Offices.

There is also a large number of minor observing stations.

(ii) The sanctioned strength of officers is—

- (a) One Director-General (Rs. 1,750—100—2,250 *plus* O. P.).
- (b) 19 Meteorologists (Rs. 400—50—1,250).
- (c) 17 Assistant Meteorologists (Rs. 250—25—800).
- (d) Director of the Kodaikanal Observatory (Rs. 1,250—50—1,500+O.P.).

4. *Growth of expenditure*.—The department is estimated to cost Rs. 21,48,000 in 1931-32 in addition to overseas pay paid abroad. The

following figures illustrate the growth of staff and of expenditure since 1913-14 and particularly in recent years.

—	1913-14 (actuals).	1922-23 (budget).	1924-25 (actuals).	1929-30 (actuals).	1931-32 (budget).
(a) No. of officers	13	14	14	35	37
	Rs.	Rs.	Rs.	Rs.	Rs.
(b) Total expenditure	4,27,266	7,14,000	6,67,525	12,90,012	21,48,000
Cost of telegrams .. ..	..	1,63,000	1,37,850	2,16,135	8,43,500
Establishment etc., at Agra .. ..	..	13,650	1,03,854	1,97,127	2,75,200
Karachi (air service) .. ..	..	..	..	27,267	36,700
Delhi office .. ..	..	..	..	Nil.	35,400
Rangoon office .. ..	..	..	..	Nil.	45,100
English charges .. ..	..	..	..	70,040	1,29,000

5. *Proposals.*—The rapid growth of expenditure was caused in the main by the development of aviation—both civil and military. Our proposals for its reduction are :—

- (i) The Committee were given to understand that if the requirements of the Meteorological Department in the cause of Civil Aviation were restricted generally to giving facilities at the two air ports of India, it could, by various adjustments in expenditure, make an annual saving of about 4 lakhs. In accordance with our recommendations on the grant for Civil Aviation, we consider that this change should be effected in the meteorological budget.
- (ii) In addition, however, we consider that this Department's total budget for 1932-33 should be brought down to 15½ lakhs.
- (iii) We suggest certain lines of action along which the reduction of expenditure can in our opinion be effected. But, in the case of this technical department with its ramifications all over India we do not propose to go into detail. We have asked the Department of Industries and Labour to work out a scheme and place it before us so that we may consider it in connection with our final report. Our own suggestions are :—
 - (a) The Kodaikanal work might be suspended for the present.
 - (b) Possibly some other items of theoretical scientific work done in the observatories might be suspended.
 - (c) The normal activities of agricultural meteorology might be reduced.

- (d) A 10 per cent. reduction might be made all-round in the present establishments at Poona, Alipore, Madras, Bombay, Agra and at other places.
- (e) Possibly the Director-General could himself undertake the duties of the Meteorologist at Poona.
- (f) Some of the less essential stations might be cut out.
- (g) The practice of part-time meteorologists which used to be in force at one time might be reverted to in some places.
- (h) Some Assistant Meteorologists might be replaced by observers on lower scales of pay.

6. On our proposals the gross savings will be 5·98 lakhs.

CHAPTER XII.

GRANT NO. 50.—GEOLOGICAL SURVEY.

1. *Functions.*—The primary function of this Survey is to investigate and estimate the mineral resources of India. A systematic field survey is undertaken for the determination of the geological structure of the country.

Organisation.—Its present staff is (i) a Director on Rs. 3,000, (ii) six Superintendents on Rs. 1,500—100—2,000, (iii) twenty-two Assistant Superintendents on Rs. 400—50—1,200, (iv) six Sub-Assistants on Rs. 250—20—650, (v) a Chemist on Rs. 400—50—1,200, and (vi) an Artist on Rs. 350—15—600. The present incumbent of the Artist's post is on a scale personal to him and also gets a personal pay in addition. Overseas pay is also drawn at the usual rates by those entitled to it.* The establishment of 38 for India proper consists of an Assistant Curator, Museum Assistants, Draftsmen, Field Collectors, Assistant Chemist, clerks and others. There are also 5 compositors and 41 servants. Burma has a separate establishment of 22. For work both in India proper and in Burma there are provisions of Rs. 5,500 and Rs. 1,700, respectively, for temporary establishments.

* £13-6-8 by Director and five of the Superintendents and £25 or £30 by 12 Assistant Superintendents and Chemist.

2. *Growth of expenditure.*—The following table shows the growth of staff and of expenditure :—

	1913-14.	1920-21.	1924-25.	1931-32.
Expenditure	3,06,000	4,37,000	4,58,000	5,69,000
No. of Officers	22—1†	20	37	37
No. of Establishment	55	55	77	106

† Assistant Curator who is now shown under Establishment.

Since nearly three-fourths of the budget provision is on account of the pay and allowances of officers, any serious scheme of retrenchment must necessarily be based on a substantial reduction of the number of officers or of their scales of pay or both.

3. *Proposals.*—The sub-Committee holds that if the survey were to be closed down, the loss to India from both the economic and the scientific points of view would be out of all proportion to the immediate relief to the revenues, and the burden of compensations which would have to be paid would be a heavy drag, and that public opinion in India would not accept such a drastic measure. It is, therefore, in favour of retaining the survey. Our official colleague—Mr. Nixon—however, urges that on grounds of financial necessity it should be closed down altogether or for a term of years.

The Industries and Labour Department stated that *in the last resort* they would be prepared to cut the department down to a nucleus staff of eight including the five headquarters posts. Such a drastic course would result in economy, but there would be little return for the expenditure on the nucleus staff kept in “cold storage”.

Our view is that in the life of this 80 years old survey a stage has been reached when new discoveries are made at a much slower rate : during the last decade few mines of importance have been brought to light. Hence, even apart from the financial exigencies, we consider that there is justification for a reduction of the staff and some restriction of field activities. We have therefore

tried to evolve a scheme which will reduce expenditure very substantially without, however, crippling the survey.

We hold that this survey has an excessive proportion of highly paid class I officers (*viz.*, 31 out of 37), even when allowance is made for the fact that its work is scientific, and that advantage should be taken of the present occasion to reorganise it on proper lines.

4. *Scheme*.—Our scheme is to reduce the number of officers so as to retain the following :—(i) One Director, (ii) three Superintendents including one for Burma, (iii) ten Assistant Superintendents, (iv) six Sub-Assistants.

We find that four of the six Superintendents have already, or will soon have, completed 25 years' service ; it should not be difficult to reduce their number by *at least* three. The present Chemist and Artist are both unduly expensive. The former will have completed 25 years' service in November 1931, and can be retired. The Director's own scheme contemplates the abolition of the Artist's post. Hence, these posts too should at present be brought under reduction. Among the Assistant Superintendents the position is not so favourable, since only two have completed 25 years of service : compensations will have to be paid to those who are discharged.

Our proposals will leave a superior executive staff of 20 officers of whom 14 will be of class I status. We find that at present, during the Chemist's leave, the Assistant Chemist is carrying on the Chemist's duties ; this arrangement should be continued for some time. If actual experience demands it, a chemist may be appointed afresh on a substantially reduced scale of pay. Similarly an artist can also be engaged in the non-gazetted establishment if a special post of artist is proved to be inevitable.

We further propose that as vacancies among Superintendents and Assistant Superintendents occur, the addition to the superior staff should be made only at the bottom, *i.e.*, in the cadre of Sub-Assistants. The Assistant Superintendents and Sub-Assistants may be re-designated as Superintendents and Assistant Superintendents.

In this connection we should point out that the survey had a staff of 22 (*plus* 1 Assistant Curator) in 1913-14 and of 20 in 1920, and that our scheme of 20 officers with the possible addition at a later stage of a Chemist, is not materially different from the Director's own scheme of 26 officers. (In our opinion a separate post of Curator is not needed ; palæontological work can be suspended or done during the hot weather. An unattached post cannot be maintained, and for work in the provinces 14 or 15 officers would be almost as good as the 16 proposed by the Director.)

(5) *Savings on officers' pay*.—Leaving out compensations and premature pensions, our scheme will yield the following savings, on officers alone, *viz.*, (a) immediate Rs. 2,67,200 ; (b) including " non-effective " Rs. 3,22,710.

(6) *Other economies*.—Our minor proposals for economy are :—

(i) We do not think there is any need to pay a duty allowance for the Curator's or the Palæontologist's work. If these allowances are cut out, there will be a saving of Rs. 3,600 per annum.

(ii) The provision for travelling and other allowances should be cut down by at least Rs. 35,000 for officers and Rs. 5,000 for establishments. Reduction of staff and of the rates of travelling allowance,

the alteration of the proportion of class I to class II officers and some restriction of field activity and its greater concentration afford the justification for our proposal to reduce the provision for travelling allowance and other allowances from Rs. 1,06,000 to Rs. 66,000. (The provision of Rs. 25,100 for Burma remains intact.)

- (iii) House-rent allowances and the concession of rent-free quarters should, generally speaking, be abrogated, especially when the staff is recruited for work at a particular centre. (Mr. Nixon dissents on this point). We have not taken account of this in our proposed reduction of Rs. 40,000 in the grant for travelling and other allowances.
- (iv) The existing provision of Rs. 1,700 for the medical treatment of British officers is liable to lead to over-budgeting and should be reduced to Rs. 200. There will also be some saving in the provision of Rs. 15,000 under "Cost of Passages" but it cannot be calculated.
- (v) We concede that a reduction of the establishments in proportion to the reduction among officers is not possible. Even then a reduction of one-fifth can be safely proposed. This would yield a saving of nearly Rs. 12,500. The provision of Rs. 5,000 for field establishment should be reduced to Rs. 2,500. Total saving, Rs. 15,000. (NOTE.—The reduction in Burma need not be in the same proportion as in India proper.)
- (vi) Supplies and services should be cut down from Rs. 42,100 to Rs. 25,000 (The Director's own proposal even on a full programme was to cut this down to Rs. 30,000).
- (vii) Contingencies should be reduced from Rs. 11,100 to Rs. 6,100.
- (viii) The provision for English stores should be reduced from Rs. 9,000 to Rs. 3,000. (Even on a full programme the Director's own proposal was to make a reduction of Rs. 4,060.)

(7) *Summary*.—Thus the immediate reduction of expenditure, apart from that resulting from the application of some general proposals which we shall make, will be about Rs. 2,67,200 *plus* 88,200 = 3,55,400 = 62½% of the 1931-32 budget. Including the non-effective charges (on officers only) the savings will be Rs. 4,10,910. We recommend that the 1932-33 budget should be reduced by 3½ lakhs to about 2·20 lakhs; this will allow an extra Rs. 6,400 as a margin for the fact that we have so far ignored "probable savings". We may add that during the quinquennium 1913-14 to 1918-19 the average annual expenditure was 2·37 lakhs.

(8) *Royalties*.—The Department of Industries rightly lays great stress on the important results of the activities of the Geological Survey as reflected in the revenue derived from royalties and taxes on the incomes of the companies and individuals connected with the working of the mines in addition to the employment which the mining industries give to several hundred thousands of men. A study of the facts in this connection has brought into prominence the question whether exploration of the mineral resources of the country—an

exhaustible asset—mainly through the efforts of this department benefits the revenues of India to the fullest possible extent. In British India the mines containing different kinds of minerals are the property of Local Governments except in the permanently settled areas where they belong to the zamindars, while the mines acquired by the State Railways are the property of the Central Government. The State of Mysore in whose territory the Kolar gold-fields are situated has a geological department of its own; otherwise the geological survey of India serves not only British India but the Indian States as well. The Department charges no fees for the examination of the specimens sent by zamindars and other private individuals or the Indian States or for any other information which it supplies to them. The Local Governments charge a certain royalty on the minerals that are raised by the companies or individuals, to whom the mines are leased, at the following rates :—

	1914-18 average production.	Basis of calculation of royalty adopted.	Rate of royalty.	Amounts.
				Rs.
Coal	17,951,583 tons	Value at mines, Rs. 66,28,610.	5 per cent ..	3,314,380
Gold	586,579 ozs. ..	Gross value 12,258,653.	2½ per cent ..	8,46,990
Petroleum ..	70,648,530 barrels	Production ..	8 as. barrel	35,32,426
Mn.-ore ..	491,902 tons ..	Production ..	4 as. ton ..	1,22,975
Tungsten ..	3,473 tons ..	Spot-value, Rs. 69,25,470.	2½ per cent.	1,73,137
Mica	49,621 cwts. ..	Export value, Rs. 56,00,550.	5 per cent.* ..	2,80,028
Lead ore ..	14,858 tons ..	Spot value Rs. 53,84,550.	2½ per cent ..	1,34,614
Silver	967,166 ozs. ..	Gross value Rs. 20,38,935.	2½ per cent.	50,998
			Total ..	84,55,548

* Should be spot value, figures for which are not available.

(9) *Proposals re : royalties and mineral policy.*—These rates are *prima facie* very low and it was admitted before us by the Director that the zamindars generally speaking charged higher rates of royalty for minerals worked on their properties and also that the rates fixed by the Government of India compared unfavourably with the royalties charged in some other countries. We are clearly of the opinion that Government should take the earliest possible opportunity to revise its mineral policy, for we feel that Indian public opinion is not satisfied that the mineral wealth of India which belongs to the people is not given out to prospectors on too easy terms. We are told that the rates of royalty have on more than one occasion been subjected to scrutiny by the Secretary of State for India and the Government of India. We have however no hesitation in urging upon Government the need for overhauling its entire mineral policy and we recommend that a strong Committee representative of informed public opinion be formed to examine the position with the aid of unbiassed expert advice. We further recommend that standing committees of the Central and Provincial Legislatures be formed to supervise the execution of such mineral policy as may be laid down.

CHAPTER XIII.

GRANT NO. 51—BOTANICAL SURVEY.

1. *Functions*.—This survey is charged with the scientific botanical survey of India. It also maintains the Industrial Section of the Indian Museum and collects specimens, prepares drawings, exhibits botanical (including cinchona) products, and collects and disseminates information regarding medicinal, food and fodder, timber and other economic plants and products. It is surveying the possibility of building up the emetine industry in India. The plantation of cinchona trees and the sale of cinchona products are also in its charge.

Owing to lack of funds its field activities had been held in abeyance but were revived in 1929-30.

2. *Organisation*.—The Superintendent of the Royal Botanical Garden, Sibpur, who is an employee of the Bengal Government is *ex-officio* Director of this survey and is given a special pay of Rs. 400 and a conveyance allowance of Rs. 100. The Industrial section of the Indian Museum is in charge of a Curator. There are two "systematic assistants" for scientific work. The cinchona plantations are in Burma and are in charge of a Superintendent who gets Rs. 750 *plus* a duty allowance of Rs. 250, Burma allowance of Rs. 120 and a house-rent allowance of Rs. 50.

The establishment for the survey consists of an Assistant Curator and clerks (15 in all) and 12 servants and some temporary establishment. The cinchona plantation establishment (permanent) consists of an overseer, a Sub-Assistant Surgeon, a clerk and a watchman.

3. *Growth of expenditure*.—The estimated expenditure in 1931-32 is Rs. 2,98,000 of which Rs. 58,900 is for the survey proper, Rs. 2,37,100 for the cinchona plantations, and Rs. 2,000 for English stores.

Expenditure on the survey proper has grown as below :—

1913-14.	1922-23.	1924-25.	1929-30.	1931-32.
Rs. 45,082	Rs. 53,050	Rs. 46,724	Rs. 53,375	Rs. 58,900

4. *Proposals*.—(i) We propose that the budget for the survey proper should be reduced to an amount between Rs. 25,000 and Rs. 30,000. Though we do not propose that its future work should be restricted to strictly "museum" work, we recognise that our proposal will hardly leave much margin for scientific work. The post of the Director, *ex-officio*, should be abolished. If the present Curator could be put in charge of the cinchona plantation in Burma, substantial savings could be effected, but in the absence of detailed information we are unable to make a specific recommendation.

(ii) As regards the Industrial Section of the Museum, our recommendation is that it should be placed under the administrative control of a single officer

for the entire Museum. (*Vide* our proposals relating to the Indian Museum, Chapter XVII). We think that a Curator of the present status should be retained.

(iii) We do not propose to preclude the continuance of such scientific work as can be managed by the reduced staff within the financial limits proposed by us. Since many universities maintain departments of botany, we recommend that they as well as other scientific bodies should be encouraged to take up the purely scientific work of this survey.

5. *Cinchona plantations*.—

(a) *Expenditure*.—As regards the cinchona plantations really useful comparative figures of the growth of expenditure cannot be given, since the policy and the methods have varied materially. It may suffice to say that the pay etc., of officers and establishments have gone up from Rs. 32,543 in 1924-25 to Rs. 38,600 in 1931-32.

(b) *Proposals*.—Our proposals on this subject are that no extension of the plantations should be permitted at present. Excluding the provisions of Rs. 1,60,000 for plantation, implements, stores etc., and Rs. 35,000 for the extraction of quinine, the 1931-32 budget provision is reduced to Rs. 42,100; out of this a permanent reduction of Rs. 9,760 due to the abolition of the post of Assistant Superintendent is offered by the Department and may be accepted. But this economy is only a normal saving which would have accrued in any case. We hold that the other provision should be cut down so as to save Rs. 15,000. In this connection, we think that the duty allowance to the Superintendent should be revised since his duties under our proposals will be rendered much lighter. The economy offered under “plantation” and “extraction” is Rs. 80,000. Since this offer is based on the policy we are recommending, we do not propose to raise it to a figure higher than Rs. 85,000. Thus, the cinchona grant should be cut down by Rs. 15,000 *plus* Rs. 85,000 = Rs. 1,00,000.

6. The budget of this survey for 1932-33 should be brought down to Rs. 30,000 + 1,37,000 = Rs. 1,67,000.

CHAPTER XIV.

GRANT NO. 52—ZOOLOGICAL SURVEY.

1. *Functions*.—This survey was instituted in 1916 and inherited the duties of the Zoological and Anthropological section of the Indian Museum. Besides maintaining that section it acts as a guardian of the zoological collection of the Indian Empire and obtains and utilises information about the systematic and geographical zoology of India.

The Department attaches relative importance to its activities in the following order :—

- (i) Maintenance of the exhibits in the public galleries ;
- (ii) Field work ;
- (iii) Care and maintenance of the collections ; and
- (iv) Research.

2. *Growth of expenditure*.—Its present expenditure of Rs. 2,30,000 and its staff have grown as below :—

	1913-14.	1922-23.	1924-25.	1927-28.	1931-32.
	Rs.	Rs.	Rs.	Rs.	Rs.
(A) Expenditure—					
Pay of officers	38,080	53,600	43,380	64,214	89,500
Pay of Establishments	25,300	43,260	38,503	50,516	67,000
Allowances, etc.	3,010	10,500	8,698	23,729	29,900
Supplies and Services	33,910	35,440	41,880	29,588	29,600
Contingencies	26,060	11,800	13,572	16,226	14,000
Grants-in-aid .. ..	..	25,000	..	..	..
Total	1,28,711	1,77,000	1,46,133	1,84,273	2,30,000
(B) Staff —					
(a) Officers	5	4	5	7	*8
(b) Ministerial	19	29	27	35	46
(c) Servants	75	34	33	33	40

* Includes the temporary post of Research Officer, Andaman Fisheries.

3. *Proposals* :—

- (i) There are eleven universities in India with departments of zoology. Zoological survey work is not normally of a systematic nature and the work of the universities could and should be of the nature which must overlap the activities of a Government zoological department. Further, zoological survey cannot be said to have an economic value. We therefore feel justified in proposing that the budget for 1932-33 should be brought down to Rs. 60,000 including the amount (not exceeding Rs. 12,000) which may be found necessary for fisheries work. In view of its economic importance we think fisheries work should be continued, but it should be placed under the control of the Andamans

administration. In view of the importance of anthropology to a country like India and the facts that this subject has been prescribed for certain important examinations and that facilities for its study are still uncommon, we deem it desirable to continue that section. Finally, we might make it clear that we have no objection to the continuance of such purely scientific work as can be carried on by the staff that will be left.

- (ii) We recognize the serious curtailment of work which our proposals involve, but we feel that the essential duties can still be carried on with the budget proposed by us, provided that all unnecessary items of expenditure are deleted. In particular, we think the survey should not have such an expensive Director. The Superintendent should take administrative charge of the entire Indian Museum under the Trustees without extra emoluments and only a suitable share of his salary should be debited to the Zoological Survey. We observe that study-leave has been given liberally in the past (*viz.*, to 5 out of the 7 existing officers); this concession should for the present be severely restricted. Since the staff is recruited for work at Calcutta, the grant of compensatory and house-rent allowances and the concession of rent-free residential accommodation should be abrogated. *Prima facie* some of the duties can be "doubled-up."
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CHAPTER XV.

GRANT NO. 53—ARCHÆOLOGY.

1. *Historical*.—(i) Prior to the introduction of the Reforms, conservation (as distinct from excavation) was a liability of the Local Governments and the greater part of the cost of conservation was paid for from provincial revenues. The Government of India used to give grants-in-aid (about a lakh). The Director-General, as adviser to the Government of India, used to administer these grants, but the Superintendents in charge of circles were under the Local Governments' control till 1927.

(ii) *Cost*.—The estimate for 1931-32 is Rs. 16·01 lakhs. The expenditure in 1913-14 including the amount expended from provincial revenues was 7·70 lakhs.

2. *Organisation*.—Up to 31st July 1931 the department had the following sanctioned staff:—

- (i) A Director-General (Rs. 1,750—2,250 *plus* £13/6/8 O. P.), (ii) two Deputy Directors-General, (iii) eight Superintendents in charge of circles, (iv) one Superintendent in charge of the Museum at Calcutta, (v) five* Assistant Superintendents, (vi) one Assistant Superintendent for Exploration, (vii) one special officer for excavations, (viii) two Assistant Engineers, one for the U. P.† and one for the Punjab, (ix) six whole-time Epigraphists and one part-time one (two of these posts are vacant), (x) two Chemists at Dehra Dun, (xi) a Curator for the Central Asian Antiquities Museum at New Delhi, and (xii) one officer on special duty.

The scale of pay for Superintendents and Assistant Superintendents is Rs. 350—50—1,200, but Assistant Superintendents can only go up to Rs. 1,000. These scales apply to all except the Assistant Engineers and the Curator. Each Deputy Director-General gets a special pay of Rs. 250, and the Government Epigraphist a special pay of Rs. 100 p. m. The Assistant Engineers' scale is Rs. 500—25—750 : one of these posts is vacant since 27th August 1931. The Curator's scale of pay is Rs. 350—50—700. The Director of Archæology in H. E. H. the Nizam's Dominions is the Epigraphist for Persian and Arabic inscriptions and is given a special pay of Rs. 150 by the Government of India.

There used to be eight circles including Burma but with effect from 1st August 1931 one circle has been abolished. Each is in charge of a Superintendent : some of them also have an Assistant Superintendent. The archaeological section of the Indian Museum is also in charge of a Superintendent.

3. *Exploration*.—Excavation is in progress at Mohenjo-Daro, Taxila, Harappa, Paharpur, Nalanda and Nagarjunikonda. Mohenjo-Daro excavation is in charge of a Special Officer, and Taxila excavation in charge of Sir John Marshall who has been re-employed (on the pay which he used to get as Director-General *plus* a special pay of Rs. 250) on a special duty, *viz.* writing up the accounts of the Mohenjo-Daro, Harappa and Taxila excavations and preparing certain guide books and monographs.

*Including two leave reservists.

†This officer was designated Assistant Superintendent.

4. *Proposals.*—(i) Though we recognise the pressing need for retrenchment, we do not consider it desirable that this department which is engaged in work of considerable national importance should be crippled. The Sub-Committee considers that a cut of 5½ lakhs will, as explained below, enable the financial exigencies to be reasonably satisfied without unduly curtailing the department. Our official colleague—Mr. Nixon—holds that its expenditure should be reduced so as to cost not more than 9¼ lakhs in all, but he has given no details of the scheme he has in view.

(ii) Excepting the U. P. and the Punjab, conservation work is at present carried out through the agency of the Local Governments' Public Works Departments. We attach importance to the need of properly conserving the more important monuments but except in the case of monuments in and near Delhi and Agra (which can be looked after by a special engineer at Delhi belonging to the Archæological Department) we see little real gain in conservation direct by a departmental agency. Even if the Local Governments do not reduce their usual charge for agency work, the taxpayer as a whole will stand to gain if local Public Works Departments in the United Provinces and the Punjab are invited to undertake conservation of the monuments in the outlying areas and execute it in accordance with the department's instructions. On the department's own showing there will be saving of at least Rs. 5,000 per annum. But since the grant for conservation will be reduced, the savings will in fact be larger. Our proposal will enable the post of one Assistant Engineer (which is vacant at present) to be reduced and the two special pays of Rs. 150 per mensem each to be abolished.

(iii) We hold that the expenditure on conservation should be reduced from 6.77 to 4.75 lakhs. The Inchcape Committee proposed that the number of protected monuments should be cut down from 2,511 to about 500; in fact, it has gone up to 2,685. Even the number of monuments under conservation has gone up from 811 to 1,377. In our opinion a judicious selection of the monuments to be conserved and some relaxation in favour of private bodies and institutions, subject to suitable conditions as regards retention of effective control by the department, should enable the department to get the best value for the outlay on conservation.

(iv) We further hold that in her present financial condition India cannot afford to spend money on new exploration. This should therefore stop. The post of the Special Officer for excavation should be abolished. A small amount will, however, be needed for the preservation of exposed excavations. Still, there should be a saving of 1½ lakhs under this head.

(v) The number of circles should be reduced to six, viz., Burma, Eastern, Southern, Western, Northern and Frontier. The Superintendentship of the archæological section of the Indian Museum should be doubled up with the charge of the Eastern Circle. The Central Circle should be abolished. One of the two circles with headquarters at Lahore has already been abolished with effect from 1st August 1931. These proposals should enable four Superintendents' and Assistant Superintendents' posts to be abolished and some other reduction of expenditure on establishment etc., to be effected. We estimate that the total savings will be about half a lakh.

(vi) We are unanimous that Sir John Marshall's special duty which is costing about Rs. 40,000 a year should be brought to an end. The Department should have utilised the material while he still held charge of it. His special duty appears to us to create an embarrassing precedent both of principle and of details. It may not be impossible for the department to arrange for this work to be continued in some manner within the budget provision we have suggested, after his special duty is brought to an end.

(vii) In the light of our proposals above, and as exploration is being practically stopped, we consider that the present staff should be curtailed. There should be only one Deputy Director. The Epigraphical Branch should have not more than four officers in future; we observe that one officer has proceeded on leave preparatory to retirement and another will be due for superannuation in a couple of years. The Epigraphist should be attached to Headquarters; he can then also serve as an additional Deputy Director, if necessary. There should be only one Chemist and only one Engineer. The Department should thus have 20 officers in future, *viz* :—

- (1) one Director. (2) a Deputy, (3) an Epigraphist, (4) six Circle Superintendents, (5) four Assistant Superintendents, (6) three other Epigraphists, (7) one Chemist. (8) one Engineer. (9) one Curator for the Central Asian Antiquities Museum, and (10) one leave reservist.

As regards the post of second Chemist, we understand that the incumbent is going on foreign service. Therefore the abolition of that post might with advantage be held in abeyance; meanwhile, the post should not be filled up.

(viii) There should be no special pay for the Deputy Director or the Epigraphist or the Superintendents in charge of the Northern and Frontier Circles.

(ix) The Department including its library should be permanently located at Delhi.

(x) There is room for economy under other sub-heads, but we need not go into detail. The scholarships should, however, be cut out.

5. *Summary of savings.*—The 1932-33 budget should thus be fixed at 10½ lakhs (*plus* Rs. 13,000 till such time as the Epigraphist retires or goes on leave preparatory to retirement). The economies resulting from the operation of revised scales of pay for future entrants as also the cost of compensation and pensions to the staff that will be discharged have been left out of our calculation.

CHAPTER XVI.

GRANT NO. 54—MINES.

1. *Functions.*—The functions of the Mines Inspectorate are statutory under the Indian Mines Act and the rules and regulations made thereunder.

The Inspectorate consists of :—(i) one Chief Inspector (pay Rs. 2,100—2,500, *plus* overseas pay £13/6/8). (The present incumbent gets 2,500+ a personal pay of Rs. 250 p. m.), (ii) three Inspectors (pay Rs. 1,250—50—1,500, *plus* overseas pay £30), (iii) one Electrical Inspector* (pay Rs. 950—50—1,550, *plus* overseas pay £30), (iv) five Junior Inspectors (pay Rs. 500—30—950, *plus* O. P. which is drawn by three of the five officers), and (v) an establishment of 37—superintendent, surveyors, draftsmen and clerks—and 26 servants, at a total estimated cost of Rs. 56,300.

2. *Growth of expenditure.*—The budget estimate for 1931-32 is Rs. 2,63,000 and the estimated receipts are Rs. 6,000 ; the net grant is Rs. 2,57,000. The expenditure has grown as shown below :—

	1913-14 (actuals).	1922-23 (budget).	1931-32 (budget).
	Rs.	Rs.	Rs.
Pay of officers	46,338	1,28,850	1,46,500
Pay of establishment	24,935	45,720	56,300
Allowances	19,175	37,760	49,400†
Supplies and Services	955	850	10,800 (including 1,000 for English stores).
Contingencies, etc.	6,909	14,150	
Total	98,312	2,27,330	2,63,000

Since the Inchcape Committee reported, one Inspector's post has been created and one Junior Inspector's post has been made permanent.

3. *Proposals.*—(a) In view of the statutory duties of this Inspectorate and the recommendations of the Labour Commission, we agree that the number of officers should not be reduced. When, however, the present Chief Inspector retires (he completed 55 years of age on 27th August 1931), the number of Inspectors should be reduced to two, and the post of an Assistant Inspector should be created. In future, recruitment to the Inspectorate should, whenever practicable, be made at the bottom, *i.e.* in the cadre of Assistant Inspectors.

(b) In our opinion the scales of pay in this Department are higher than they need be. We are not in a position at this stage to make specific recommendations. We also observe that the scales of pay of the ministerial staff are

* Present incumbent does not draw overseas pay but is drawing Rs. 1,550 in the scale Rs. 1,200—50—1,800.

† Includes the cost of passages and house-rent, examination and other allowances.

unduly liberal, and we recommend that these should be revised as soon as possible, especially in the light of the fall in prices.

(c) Our other proposals for economy are :—

- (i) the ministerial establishment should be cut down from 37 to 32 and the number of servants from 26 to 20 ;
- (ii) the rates of travelling allowance in the provinces with which the Mines Inspectorate is principally concerned have been, or are likely to be, reduced. Under our proposals the number of officers entitled to travelling allowance at first class rates will be reduced by one. The actual expenditure in 1928-29 and 1929-30 was Rs. 34,262 and Rs. 34,734. We therefore feel that the provision for travelling allowance can safely be cut down from Rs. 36,300 to Rs. 30,000,
- (iii) in our opinion house-rent allowances at any centre outside the regular scheme for house-rent allowances should be abrogated ;
- (iv) if residential accommodation is supplied by Government, it should be charged for according to the usual rules ;
- (v) we propose that the provision under sub-head (E)* should be reduced to about Rs. 1,500 and that the staff of the Mines Inspectorate should not be paid any fee, allowance or remuneration for work in connection with these examinations. We estimate that the savings will be about Rs. 6,000 ;
- (vi) the provisions for Supplies and Services and Contingencies should be reduced by Rs. 1,000 and for English charges by Rs. 800.

4. *Summary.*—(a) The minimum reduction of expenditure resulting from our proposals will be Rs. 43,500 (*i.e.*, a little over 16½ per cent. of the 1931-32 budget) as below :—

- (i) Reduction of one post of Inspector and the creation of one post of Assistant Inspector — Rs. 23,400 *minus* (say) Rs. 2,400 = Rs. 21,000.
- (ii) Reduction of establishment—Minimum saving = Rs. 7,000. We estimate Rs. 8,400.
- (iii) Travelling allowances, etc., Rs. 6,300.
- (iv) Examination charges, Rs. 6,000.
- (v) Supplies and Services and Contingencies, Rs. 1,000.
- (vi) English charges, Rs. 800.

The 1932-33 budget should be reduced accordingly.

If leave and pensionary charges be also included, there will be an additional reduction of expenditure of about Rs. 5,000, but we leave this out of account in this connection.

(b) It will be noticed that under our proposals no compensation will be payable except perhaps in respect of some of the establishments.

* Allowances and other charges in connection with examinations.

CHAPTER XVII.

GRANT NO. 55—OTHER SCIENTIFIC DEPARTMENTS.

1. *Indian Museum, Calcutta.* (i) *Explanation of the grant.*—The Government of India make grants-in-aid to the Trustees of the Indian Museum, Calcutta, for (i) the maintenance of the Trustee's office, (ii) the Art section and Art Gallery, and (iii) Rents, rates and taxes. The provisions for 1931-32 are Rs. (i) 18,000, (ii) 16,900, and (iii) 14,400, respectively. The Government of Bengal contribute Rs. 8,300 per annum towards the upkeep of the Art section and the Art Gallery.

In 1922-23 the cost was Rs. 41,260 : in 1931-32 it is Rs. 49,300. This amount includes an obligatory payment of Rs. 16,400 for rents, rates and taxes to the Calcutta Municipality.

The staff employed in 1922-23 was 58 ; it is 62 now.

(ii) *Proposals.*—(a) The only item under which the Trustees propose to offer a reduction is "Purchase of specimens". The reduction offered is Rs. 4,000, but this amount is reduced to Rs. 2,058, because the Trustees find it necessary to set-off against the proposed surrender of Rs. 4,000 the reduction of Rs. 1,942 made in the grant for rents, rates and taxes. This offer of Rs. 2,058 should be accepted and the Trustees may be prevailed upon to surrender permanently at least another Rs. 3,000, making in all Rs. 5,000.

(b) *Unitary administration.*—As regards the Indian Museum, we have one more proposal to make. In our opinion the present arrangement under which the Indian Museum is maintained in sections, some under the control of the Trustees and the others in charge of fairly highly-paid officers employed by the Government of India is needlessly costly. We hold it to be possible to reduce the expenditure on the pay and allowances of these officers if the administrative charge of the Museum is unified and entrusted to one officer working under the Trustees. If the Trustees can be persuaded to accept the arrangement proposed by us, the Superintendent of the Zoological section might be appointed as Director of the Museum without extra emoluments and the various sections might be placed in charge of assistants on substantially lower scales of pay than those now in force. We do not go so far as to suggest that he should be made an employee of the Trustees : we have no objection to a trial being given to the present system under which officers paid by Government hold charge of many of the sections. But, if on administrative or other grounds it be decided, now or later, to vest full control over him and his assistants in the Trustees, we see no strong reason against such an arrangement. For the present all we aim at is unified administrative control and substantial reduction of Government's expenditure on the maintenance of the Museum.

2. *Scientific Societies and Institutes :—*

(i) The Government of India also make grants-in-aid to the following scientific societies and Institutes :—

			Rs. .
(a) Indian Institute of Science, Bangalore	..	..	1,50,000
(b) Bose Research Institute, Calcutta	1,03,000*

*(The Rs. 3,000 is for the printing, etc., of the transactions of the Institute.)

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|---|---------|--------|
| (c) Indian Association for the Cultivation of Science, Calcutta | | 20,000 |
| (d) Asiatic Society of Bengal, Calcutta | | 5,000 |
| (e) Bhandarkar Oriental Research Institute, Poona | .. .. | 5,000 |
- (ii) *Proposals*.—As regards reduction of the expenditure on the items mentioned above the Sub-Committee does not feel justified in making any definite reductions in these grants. (Para. 10 of Chapter I may be seen). Mr. Nixon, however, holds that this group of institutions should also be subjected to retrenchment in common with the departments of Government.
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CHAPTER XVIII.

GRANT NO. 56—EDUCATION.

1. *Explanation.*—This demand consists exclusively of direct grants-in-aid by the Government of India and similar minor items of expenditure and is exclusive of the expenditure on education in the minor administrations.

2. *Growth of expenditure.*—Leaving out the non-recurring grants to the Benares and Aligarh Universities the expenditure is Rs. 6,87,000 (estimated) in 1931-32 against Rs. 3,36,000 (actual) in 1913-14 and Rs. 4,17,000 (actual) in 1924-25.

3. *Proposals.*—(i) The Sub-Committee is not prepared to propose any definite reduction in the recurring or non-recurring grants to the Benares and Aligarh Universities or to other educational institutions. Mr. Nixon, however, “considers that these institutions should contribute their share in the retrenchment necessities of Government and that the recurring grants should be cut, by steps if necessary, by 10% and that the remaining capital grant to the Aligarh University should be spread out over two years instead of being paid in one year, the Benares University having already got its corresponding instalment”.

(ii) On the question of grants to the Chiefs’ colleges or schools (at Ajmer, Lahore, Indore, Rajkot etc.), our provisional conclusion is that such grants should be abolished, subject to reconsideration in the light of any evidence which the Foreign and Political Department may give us at a later stage.

Arrangements should be made for their inspections by a cheaper agency—if possible, the Local Governments’ agency. The cost of passages, leave etc., on account of officers lent to such colleges should not in any way fall on central revenues. We have been given to understand that the grant to one such officer of leave preparatory to retirement coupled with permission to take up employment in one such college was an exception, and we hope that occasions for such exceptional treatment will not arise in future.

(iii) On our proposals the reduction of expenditure in this grant will be Rs. 38 000. Besides, there will be a reduction of 6 lakhs in the 1932-33 budget owing to the completion of the payment of the non-recurring grants to the Benares Hindu University.

CHAPTER XIX.

GRANTS NO. 57—MEDICAL SERVICES AND 58—PUBLIC HEALTH.

(A) GRANT NO. 57—*Medical Services.*

1. (i) *Explanation of the grant.*—Under the present constitution “Medical” (both administration and education) is a provincial transferred subject. The Government of India maintain a Director-General, Indian Medical Service, and his office and certain medical staffs and undertake medical work at certain centres. The cost of medical administration (including grants-in-aid) in the minor administrations is not budgeted for in this grant, but in the “area” grants.

2. *Functions of the Director General.*—(i) These are :—

- (a) Control of medical administration in the minor administrations, political agencies and at Simla, Gwalior and on the North-East Frontier.
- (b) Advice to the Government of India, and to Local Governments on medical matters including grants-in-aid.
- (c) Control of the work of the Imperial Serologist.
- (d) Control of the five medical store depôts.
- (e) Recruitment for the I. M. D. and recruitment in India for the I. M. S.
- (f) Posting of I. M. S. and I. M. D. officers, when transferred to the civil side, to (but not *within*) the major provinces and to the Foreign and Political Department and of I. M. D. officers to the Railways.
- (g) Maintenance of the records of service of all officers of the I. M. S. and I. M. D. and of Army Sub-Assistant Surgeons.
- (h) “Service” matters *e.g.* leave, promotion, pension, discipline, dress etc.
- (i) departmental examinations.
- (j) All-India Medical Council.

(ii) *Largely military.*—It will be seen that as stated by the Department of Education, Health and Lands “only a portion of the Director-General’s work is done for the civil authorities”. The I. M. S. and I. M. D. are essentially military services. The expenditure on the Medical Store Depôts and their profits are found among the Army Estimates. The principal minor administrations (*e.g.*, North-West Frontier Province, Baluchistan, Ajmer-Merwara) have their own Chief Medical Officers. The State railways have just reorganised their own medical arrangements.

3. (i) *Organisation and cost of activities.*—The Director-General (pay Rs. 3,500) is assisted by a Deputy Director-General (Rs. 2,250 *plus* £30 Overseas Pay), one Assistant Director-General (Rs. 2,000—2,100 *plus* £30 Overseas Pay), one Assistant Director-General for stores work (Rs. 1,750 *plus* £30 Overseas Pay), two I. M. S. Captains and a Bacteriological Officer (these three

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officers are a reserve for medical research) and a Chief Superintendent with gazetted rank. One of the Assistant Directors-General is also assistant to the Public Health Commissioner. The total provision in 1931-32 for officers is Rs. 1,61,400. The establishment costs Rs. 1,29,000 in salaries and consists of 42 ministerial and 26 servants. This establishment is used for the office of the Public Health Commissioner also, and 40 per cent. of the charges on this establishment are debited to the Public Health grant. Medical Superintendence, *i.e.* headquarters work, costs Rs. 3,73,100 including Rs. 68,800 for the Public Health Commissioner's office establishment.

(ii) The Imperial Serologist and his office cost Rs. 62,900, but receipts exceed expenditure.

(iii) The cost of the part-time Chemical Examiner at Bombay, who is paid an allowance of Rs. 100 per mensem, is Rs. 1,720, out of which Rs. 720 is recovered from the Army as their share.

(iv) The following district medical staffs and medical activities are also maintained :—

- (a) Two Civil Surgeons and two Assistant Surgeons at Simla at a cost of Rs. 56,500.
- (b) A Civil and Military dispensary at Simla costing Rs. 29,100, out of which one-third is recovered from the Army.
- (c) A Civil Surgeon and three Assistant Surgeons and some medical and other establishments on the North-East Frontier of Assam costing Rs. 31,800 *p'u.* Rs. 26,200 = Rs. 58,000.
- d An Assistant Surgeon and establishment at Gwalior at a cost of Rs. 4,900.
- (c) An X-Ray Institute at Simla costing Rs. 16,300. (The one at Dehra Dun is being closed down).
- (f) All-India Medical Council, for which the 1931-32 provision is only Rs. 13,000 but which will require much more in the future.

(v) Apart from these, the main items of expenditure under "Medical Services" are grants-in-aid, *viz.* :—

- a Dufferin Fund Rs. 3,70,000 (b) Hospital Aid Fund Rs. 2,000 ;
- (c) Indian Nursing Association Rs. 35,000 ; (d) Portmore Nursing Home, Simla, Rs. 5,000 ; (e) Lady Reading Hospital, Simla, Rs. 5,000 ; (f) Walker and Ripon Hospitals, Simla, Rs. 14,000 =
- Total Rs. 4,31,000.

(4) *Growth of expenditure.*—The total amount of this grant is Rs. 9,95,000. Without extensive adjustments it is not possible to give comparative figures to show the growth of expenditure.

(5) *Inchcape proposal.*—The Inchcape Committee recommended that the post of Public Health Commissioner should be abolished, his work being made over to the Director-General, Indian Medical Service, and that Medical and Public Health services should be amalgamated. At that time there were five officers in the Director-General's office and two in the Public Health Office ;

the number of such officers in these offices in 1931-32 is seven in the Director General's section and one in the Public Health section of the office ; in fact there are six working in the former and two in the latter.

(6) *Main proposals.*—(i) We have carefully considered the question whether it is necessary to maintain the D. G., I. M. S. and his office. Since " Medical " is a transferred provincial subject, the D. G., I. M. S. and his office appear to us to be a survival of the pre-Reform régime. We hold that inter-provincial transfers of I. M. S. and I. M. D. officers in civil employ or the maintenance of confidential records or rolls at headquarters or the disposal of complicated " service " questions do not require a civil " head " of the medical services any more than in the case of any other All-India service operating largely in the major provinces. Co-ordination of the medical policies of the major provinces may, *per se*, be a desirable objective, but the existing constitution does not demand it, and so far as we are aware, the provinces do not ask for it ; nor indeed can India in her present financial condition afford to undertake it. We observe that in fact a large portion of the work relates to the Army. Medical stores, recruitment for the I. M. S. and the I. M. D., maintenance of the confidential records and rolls of officers in these services and other military affairs admittedly take up much of the time and attention of the Director-General and his office. It is only right that all such matters should be transferred to the Army Department. For recruitment in India of officers for the I. M. S. the services of the Public Service Commission should be fully utilised.

(ii) We agree that the Government of India need, and will continue to need, an officer to advise them on the medical administration of the central areas and give guidance on matters of medical policy in general. But for all such duties we hold that a single medical officer of sufficient standing and experience to function as a Deputy Secretary and to draw about a Deputy Secretary's pay should suffice. He may be designated Medical Adviser to the Government of India. His office should operate as a section of the Secretariat, and should also work jointly for the Public Health Adviser (*vide* paragraph 12).

(iii) In the absence of reliable knowledge of the amount of work which should be made over to the Army authorities the Committee can only make a rough division of the expenditure as follows :—

The extra cost to the civil secretariat would amount to about a lakh, about a lakh would be added to army estimates, and the remainder (about 1½ lakhs) of the present cost should be considered as savings. The pay of the existing staff should only be assimilated to secretariat rates of pay according to any future rates laid down for the Secretariat and not by present rates.

(7) *Other proposals.*—(i) The permanent superior medical staff at Simla consists of 2 Civil Surgeons at present. We consider that in future there should be only one ; another can move up and down with the Government of India. This arrangement will merely mean that during the winter Simla will have only one Civil Surgeon and not two. We further note that the Army does not pay a contribution towards the cost of the staff at Simla.

On our proposals even direct and immediate savings will be about Rs. 12,000 per annum. With a doubt on the part of one member we urge that the horse allowances drawn by the Civil Surgeons at Simla should be discontinued.

(ii) As regards the Serologist and his establishments we urge that unless a strong enough case is made out in favour of continuing the duty, house-rent and other allowances drawn by the Assistant Serologist and the Civil Assistant Surgeons, these should be discontinued.

(iii) The medical establishment at the Gwalior Residency appears to us unnecessary. We observe that all political agencies do not possess a medical establishment on the spot. We have not been able to examine the Foreign and Political Department on this question; our provisional view is that this establishment should be abandoned.

(iv) We observe that the actual cost of the Civil and Military Dispensary at Simla in 1929-30 was about Rs. 23,000; the 1931-32 estimate is Rs. 29,100. An attempt should be made to bring it down to the 1929-30 level.

(v) We note that as in the case in sub-para (i) the Army does not contribute towards the cost of the X-Ray Institute, Simla.

(vi) We further think that the medical budget for the North-East Frontier could be safely reduced by Rs. 5,000.

(vii) As regards the grants-in-aid aggregating 4.31 lakhs, we are generally speaking opposed to any serious reduction. But in view of the financial necessity we propose that they be reduced to 4 lakhs in the aggregate; we would, however, spread out the reduction over all the grants.

(viii) We do not recommend that the setting up of the All-India Medical Council be put off. But we propose that registration fees should be levied, and trust that the Council will shortly be in a position to pay its own way and cease to be a burden on central revenues.

(ix) We observe that an expenditure of Rs. 1,720 is incurred in Bombay. Now that there is a Customs laboratory at Bombay, which can perhaps be used for other purposes also, the need for incurring this expenditure should be examined. For the present we are leaving this possible saving out of account.

(8) *Summary*.—On our proposals the reduction of this grant will be 3.35 lakhs against which there will be an addition of 1 lakh to the Army estimates. The 1932-33 budget estimate should be reduced accordingly by 3.35 lakhs.

(B) GRANT NO. 58.—*Public Health.*

(9) *Organisation and activities*.—Under the present constitution Public Health, Sanitation and Vital Statistics are provincial transferred subjects, except for reservations as to legislation in respect of infectious and contagious diseases. In addition to expenditure on public health incurred in the minor administrations the Government of India incur expenditure on the following public health activities. They maintain at their headquarters a Public Health Commissioner (pay Rs. 2,500—3,000 + £13-6-8 O. P.). He is assisted by one of the Assistant Directors-General, Indian Medical Service, and has an establishment which forms part of the Director-General's office and for which 40 per cent. of the cost (=Rs. 68,800 in 1931-32) is debited to the Public Health estimates. He advises the Government of India on questions relating to

public health and represents them at international conferences. An important contemplated scheme of large recurring expenditure is the Hygiene Institute at Calcutta (a Rockefeller foundation). Another important central activity is in connection with port and air-port health and quarantine, deratisation of ships and the pilgrim traffic. The expenditure on the Central Research Institute at Kasauli is also borne on these estimates. Lastly, the Government of India's grants-in-aid to the Research Fund Association ($7\frac{1}{2}$ lakhs a year), to St. John's Ambulance Association (Rs. 5,000), and to the Pasteur Institute at Kasauli (Rs. 17,700) are also borne on these estimates. Broadly speaking, the expenditure on public health in the minor administrations is budgeted for in the grants relating to the "areas" concerned.

(10) *Present expenditure and its growth.*—The estimated expenditure in 1931-32 is Rs. 13,92,000. Out of this Rs. 1,11,200 (and if the pay of the Assistant Director-General, Indian Medical Service, who does public health work, be added, Rs. 1,36,400) *plus* Rs. 68,800 is accounted for by the Public Health Commissioner and his office, by the staff, establishment and other charges in connection with the Hygiene Institute, Calcutta, and by some vaccination staff in Assam. Port Health establishments cost Rs. 1,13,400, and charges in connection with the pilgrim traffic amount Rs. 11,200. The Government of India's contribution on account of the Port Health establishments at Calcutta and Chittagong amount to Rs. 71,600. (This contribution is on the half-and-half basis, the other half being borne by the Port Trusts concerned.) For the ports of Madras, Bombay, Karachi and Aden, the Central Government maintain their own establishments at a cost of Rs. 1,47,400. In the case of Madras some contributions amounting to Rs. 1,600 are also paid. In the case of Bombay there is a recovery of Rs. 46,300 from the Government of Bombay. The Kasauli Institute costs Rs. 2,09,700.

It is not easy to give comparative figures of the cost of Public Health without extensive adjustments. But the following few figures will help to show how expenditure has grown compared with 1913-14 :

—	1913-14.	1922-23.	1924-25.	1929-30.	1931-32.
	Rs.	Rs.	Rs.	Rs.	Rs.
"Administration" ..	93,916	1,39,000	..	1,14,749*	1,80,000†*
Kasauli	1,14,516	3,93,100	2,25,454	2,33,262	2,09,700
Port Health and epidemics. .	..	..	2,18,011	2,35,727	2,21,800

**Plus* about Rs. 25,000 for the pay of Assistant Director-General.

†The 1931-32 figure includes the cost of the staff appointed in connection with the Hygiene Institute, Calcutta; this cost amounts to Rs. 61,700.

(11) *All-India Hygiene Institute.*—It only remains to add that it is in contemplation to open the All-India Institute of Hygiene and Public Health at Calcutta at an annual cost of nearly $3\frac{1}{4}$ lakhs as against a provision of Rs. 61,700 in the current budget. Apart from the normal increase of expenditure the central revenues have thus to be prepared for an increase of expenditure of over $2\frac{1}{2}$ lakhs on account of this Institute in 1932.

(12) *Proposals*.—Our proposals for the reduction of expenditure are :—

- (i) One of the recommendations of the Inchcape Committee was that the post of Public Health Commissioner should be abolished. It held that India's representation at international conferences could be undertaken by a senior officer on leave or by a recently retired officer, an honorarium being given if necessary. We agree with that Committee's view regarding the feasibility of India being represented at international conferences in the manner proposed by it. Indeed we think it is now time that India was represented, not necessarily by officials but, whenever practicable, by suitable non-official or other experts acquainted with the specific problems coming up for discussion. The Government of India, however, require, and will continue to require, an officer to advise them on public health questions. But, we do not consider it necessary to maintain an officer of the present status of the Public Health Commissioner. A medical officer of sufficient standing and experience to function as a Deputy Secretary and to draw about a Deputy Secretary's pay with the designation of Health Adviser to the Government of India should, in our opinion, suffice for ordinary day-to-day work. (On individual questions the Government of India could consult the provincial Directors of Public Health). His establishment should, as is the case at present with the Educational Commissioner, form part of the staff of the department. If and when it is necessary to send him out of India on deputation, his work should be carried on by the Medical Adviser proposed by us in paragraph 6 (ii). Our proposal would result in a saving of about Rs. 7,500. Besides, there would be some saving on the abolition of the post of the Assistant Director-General, who is now assistant to the Public Health Commissioner. This would amount to Rs. 25,200. Total savings would be well over Rs. 32,000.
- (ii) Establishment matters are referred to in paragraph 6 (iii).
- (iii) We observe that port health, quarantine, pilgrim and similar work in connection with epidemic diseases is costing nearly $2\frac{1}{4}$ lakhs. This should be brought down to $1\frac{3}{4}$ lakhs, saving Rs. 46,800.
- (iv) We understand that Government having accepted the munificent gift of the Rockefeller foundation, the Institute of Hygiene and Public Health will have to be opened in due course. We are of opinion that its initial annual cost to Government should not be allowed to exceed 2 lakhs in the present financial stress. We have considered the proposed scales of pay and allowances for the staff of the Institute; to us they appear to be unduly liberal. A reconsideration of the contemplated rates of pay etc., before vested interests are created, should enable Government to effect the reduction proposed by us without seriously interfering with the proposed functions of the Institute.

(v) As regards grants-in-aid, the annual grant of $7\frac{1}{2}$ lakhs to the Research Fund Association should, for the present, be reduced to $2\frac{1}{2}$ lakhs. The Association has a large fund accumulated mainly from Government grants in the past. On this ground the Incharge Committee had also recommended the discontinuance of the grant. The fund which was $33\frac{1}{4}$ lakhs then has now increased to 52.3 (face value) lakhs. Our proposal to reduce the grant to $2\frac{1}{2}$ lakhs need not therefore lead to a very serious curtailment of the activities of the Association for some years.

(vi) In view of the fact that the Pasteur Institute, Kasauli, no longer receives the contribution which the Punjab Government used to make and that the Army Department contribution has also been withdrawn, we do not consider it desirable to reduce the Government of India's annual grant of Rs. 17,700. The annual grant of Rs. 5,000 to St. John's Ambulance Association may also be left intact.

(13) On our proposals the savings will be Rs. $.32 - .47 - 1.25 + 5.00 = 7.04$ lakhs of which 6.79 will be in the Public Health Grant and .25 in the Medical Services Grant. The 1932-33 budget should be framed accordingly.

CHAPTER XX.

GRANT No. 59.—AGRICULTURE.

GRANT No. 60.—IMPERIAL COUNCIL OF AGRICULTURAL RESEARCH DEPARTMENT.

GRANT No. 61.—CIVIL VETERINARY SERVICES.

Administration.

1. *Present organisation.*—As regards the grants for Agriculture, Civil Veterinary Services and the Imperial Council of Agricultural Research Department we have first of all to consider the existing arrangements in relation to central research. There is one self-contained 'department' (though on a miniature scale) in charge of the work relating to the Imperial Council of Agricultural Research. The Council was set up as a result of the Report of the Royal Commission on Indian Agriculture. Besides, the Department of Education, Health and Lands maintain an agriculture and veterinary section, mainly to deal with the two central research institutes at Pusa and Muktesar with their sub-stations. The Imperial Council of Agricultural Research Department has a Vice-Chairman (of the status of a Secretary to Government and paid at Rs. 4,000) assisted by a Secretary of the status of a Deputy Secretary to Government (pay on superior I. C. S. scale *plus* Rs. 400) and two Expert Advisers, one for agriculture and the other for animal husbandry (pay of each Rs. 2,500 to Rs. 2,750).

2. *Imperial Council.*—We see no reason to suggest any modification of the policy which led to the establishment of the Imperial Council for central research. We are also unanimously of opinion that Pusa and Muktesar should be placed under the control of the Imperial Council. We are further agreed that the services of the two Expert Advisers may be terminated. We observe that the two Central Research Institutes maintain all the necessary expert staffs and these can be utilised for such advice as Government might need. We therefore unanimously recommend the abolition of the two posts of Expert Advisers to the Imperial Council of Agricultural Research. (Also *vide* para. 11.)

3. *Proposals.*—On the question whether the Agriculture and Veterinary Section of the Department of Education, Health and Lands should be abolished and its work transferred to the Imperial Council of Agricultural Research department or *vice versa* this Sub-Committee favours the former alternative. Messrs. Nixon and Ramsay-Scott hold the opposite view on the ground that it will result in greater economy.

4. *Reasons.*—We hold that the considered policy of Government in setting up the Imperial Council of Agricultural Research department should be given a proper and adequate trial. A formal Government department is not as suitable an agency for controlling research as a body constituted on the lines of the Imperial Council. Under the present arrangements the Council does not directly control the two Central Research Institutes, *viz.*, Pusa and Muktesar; in our opinion it should do so. It would be manifestly anomalous that a body set up by Government for the express purpose of developing agricultural and allied research all over India (including such States as care to come into the arrangement) should be deprived of direct control over Government's own research institutes. The objection to Pusa and Muktesar being placed under

the Imperial Council of Agricultural Research Department on the ground that their Directors would thereby become, in effect at any rate, subordinate to the Expert Advisers of the Imperial Council appears to us to have no force. In fact, we have proposed the abolition of the posts of Experts. The Council, which has been rightly described as an instance of federalism in action, and which is in touch with all the Agricultural Research Institutions and their expert staffs is in the best position to advise Government with respect to Pusa and Muktesar. Nor, having in regard the responsibilities and constitution of the Council, is the Sub-Committee disposed to attach any weight to arguments based on an apprehension of 'jealousies' and 'suspicious', which in fact are unfounded. The Sub-Committee is convinced that circumstances and conditions have changed a good deal since the report of the Linlithgow Commission, and that its proposal is best calculated to promote the cause of agricultural research at the lowest cost.

5. The Sub-Committee, with the exception of the two members mentioned above, recommends that the Imperial Council of Agricultural Research Department should continue and that Pusa and Muktesar and their sub-stations should be placed under its administrative control.

GRANT NO.—59.—AGRICULTURE.

6. *Pusa and its sub-stations.*—On the proposals for the reduction of expenditure on the Agricultural Research Institute at Pusa and its five sub-stations we are all unanimous.

The main Institute at Pusa and only one of its sub-stations, *viz.*, the sugar-cane station at Coimbatore should continue. The other sub-stations, *viz.*, the cattle-breeding farm at Karnal, the creamery at Anand and the animal husbandry institutes at Wellington and Bangalore are recent accretions. They were taken over from the Army at a cost of about Rs. 7,17,000 when the Army Department found that they had to lop off superfluities. None of them can be said to be engaged in research of a central character. If their accounts be critically examined in the light of the principles of commercial accounting they involve loss year by year, with the possible exception of the creamery at Anand. It has been claimed on behalf of the creamery that it has trained up men who have found little difficulty in securing private employment. Even if this claim be conceded, we must observe that such training is not a 'central' subject. We understand that the Army Department will probably take back Wellington. Whether they do so or not, our unanimous recommendation is that these four sub-stations of Pusa should be disposed of, preferably to the local Governments concerned.

7. *Reorganisation and savings.*—Coming to Pusa and Coimbatore we observe that the Department of Education, Health and Lands have already under their consideration a scheme of reorganisation prepared by the present Director. He told us that the scheme proposes increased expenditure. The gross cost of Pusa and Coimbatore is 8.71 lakhs irrespective of the additional cost (*viz.*, Rs. 57,500) on account of estate and medical establishments. Our proposal is that even allowing for some increased expenditure as a result of the reorganisation the gross cost should be brought down by about a lakh: the Imperial Council of Agricultural Research Department should be given definitely to understand that these figures

must not be exceeded. Since a reorganisation scheme is already under Government's consideration, we do not propose to go into detail further than to suggest that the system of special pays to the staff should be critically scrutinised in accordance with the general principles which will be enunciated by us in our final report.

GRANT NO.—60 —IMPERIAL COUNCIL OF AGRICULTURAL RESEARCH DEPARTMENT.

8. *Functions and organisation.*—These have already been described in paragraph 1 above. The Sub-Committee, with the exception of two members, has already recommended that this Department should continue and that the Pusa and the Muktesar Institutes (with their sub-stations) should be placed under its administrative control. We need not here do more than indicate the economies which will result from our proposals.

9. *Vice-Chairman.*—We consider that the pay attached to the post of Vice-Chairman is excessive and we therefore would take the offer of the present Vice-Chairman to accept a salary of Rs. 3,000 from 1st April 1932, although he has made it clear that this is a voluntary offer personal to him. It will yield a saving of Rs. 12,000. Our colleague, Mr. Nixon, wishes to dissent from the principle of voluntary surrenders of pay.

10. *Secretary.*—As regards the Secretary, we recognise the force of the criticism that a small department like this does not require the services of two highly paid administrative officers. But during the period of reorganisation the training and experience of the present secretary will be needed. Our proposal therefore is that when his "tenure" expires (by which time the reorganisation will have been completed), he should be succeeded by a secretary of lower status. In our opinion an officer of the Agricultural Service of about 15 years' service should succeed him. He may be given the status of an Under-or Assistant Secretary to Government, *ex-officio*. We observe that though there is a post of an Assistant Secretary on Rs. 1,000-50—1,250, it has not been filled up. We recommend that this post should also be filled up: the first incumbent should be drawn from the Veterinary Service and should have about 11 years' standing in the service. We contemplate that the Assistant Secretary should in course of time succeed the Secretary and that one of them should belong to the Agricultural and the other to the Veterinary Service. This arrangement will enable the department to have two experts to advise the department on all the ordinary day-to-day problems relating to agricultural and veterinary research. On problems of some importance the department will take the advice of the Pusa and the Muktesar Institutes. The savings from this proposal will be the difference between the cost of the present Secretary and the cost of the Assistant Secretary proposed by us, *i.e.*, about Rs. 16,000 to Rs. 18,000 per annum.

11. *Expert Advisers.*—We are all agreed that these two posts should be abolished, and that the department should take such advice as it requires from the Pusa and Muktesar Institutes. In fact, our proposals above relating to the secretariat of this department are based on the assumption that the posts of the Expert Advisers will be abolished and that the new secretarial posts will be created only as vacancies occur among the two Expert Advisers. We

further propose that the present Expert Advisers should, if possible, be absorbed at Pusa and Muktesar respectively. The saving on their salaries etc., alone will be nearly Rs. 65,000.

12. *Establishment.*—As regards the establishment for this Department we consider that the present establishment strengthened by a further establishment costing about Rs. 32,000 (we understand from the Vice-Chairman that this would be just about half of the present cost of the Agriculture and Veterinary Section of the E. H. and L. Department) will suffice for the Imperial Council of Agricultural Research Department even when it takes over Pusa and Muktesar. We may in this connection observe that this department has not yet recruited the temporary establishment which was sanctioned with effect from the current financial year. We recommend that pending Government's decision on our proposals it should not be recruited.

13. *Other savings.*—In the course of his oral evidence the Vice-Chairman told us that he saw no objection to the permanent location of his department at Delhi. His view was that if the Vice-Chairman, Secretary, the Experts and some camp staff were to be allowed to move with the Government of India, it would be possible to carry on the work of the department and at the same time to remain in touch with the Government of India. This is one of the departments which we think should remain permanently at Delhi. This will yield a saving of Rs. 5,000 on the rent of the building at Simla in which the department is at present located and Rs. 10,000 on hill journey and other allowances. Besides, additional rents realised for the housing accommodation provided by Government at Delhi will yield about Rs. 5,000 to Rs. 6,000, but we leave this out of our calculation.

The provision for contingencies should be cut down from Rs. 18,900 to about Rs. 15,000. Savings about Rs. 4,000. If the department does not move between Delhi and Simla, it should not be difficult to effect this saving.

14. *Research grant.*—The annual research grant of 5 lakhs should for the present be reduced to 2½ lakhs a year. (As an alternative to this proposal, Mr. Nixon throws out the suggestion that "the whole grant for research should be held in abeyance for a couple of years, which would provide money for the Government to consider the scheme for the reorganisation of Pusa which the Director has formulated"). The provision of Rs. 10,000 for travelling allowances of the Governing Body and the Advisory Board should in future be charged to the budget of the Imperial Council and not to central revenues.

15. *Sugar Cable Service.*—We observe that the 1931-32 provision is Rs. 23,800. In our opinion this service should be maintained but on a genuinely self-supporting basis, which should include a certain percentage for its share of the overhead expenses on the department and the Council. The expenditure should be cut down to Rs. 20,000. Further, the Service should be budgeted for in the Council's own budget and not in the civil estimates of the Government of India.

16. *Council's own budget.*—Although the Imperial Council is a statutory body controlling its own budget, we think that Government should invite it to scrutinise its expenditure with a view to securing all possible economies.

17. *Summary.*—When effect is given to our proposals, this department's net budget for administration will be reduced from 2.76 to 1.28 lakhs (or, when the

deduction of about 10 on account of the present Vice-Chairman's pension, which is paid by the Madras Government, ceases to be operative, Rs. 1.38 lakhs). The provision of 24 lakh for the sugar cable service will disappear, and the research grant will be reduced to 2.5 lakhs. The total 1931-32 budget is 8 lakhs gross or 7.75 lakhs net; it will be reduced to 3.78 lakhs.

It will be seen that we have not proposed any reduction of the establishment except of the Expert Advisers' stenographers and peons. Were it not for our proposal that Pusa and Muktesar should be transferred to the control of this department, we should have proposed some reduction of establishments and a further reduction of the budget.

When Pusa and Muktesar are transferred to the control of this Department, there will be an additional expenditure of about Rs. 32,000 on account of extra staff. If, however, new staff is engaged, the additional expenditure will be less than Rs. 32,000. On the other hand, there will be a corresponding saving of approximately Rs. 68,300 (*i.e.*, Rs. 64,000 on pay etc., and the rest on contingencies etc.,) on the Agriculture and Veterinary Section of the Education, Health and Lands Department. We have omitted this from our calculation.

GRANT No.—61.—CIVIL VETERINARY SERVICES.

18. *Explanation of the grant.*—Expenditure on these services is incurred in two parts, *viz.*, (a) on the Muktesar and the Izatnagar branches of the Imperial Institute of Veterinary Research and on a small grant-in-aid, and (b) in the minor administrations. Under (a) the cost amounts to over 8 lakhs, but against this expenditure there are receipts of Rs. 9,27,500 (estimated). Grant No. 61 deals with (a), the expenditure under (b) being provided for in the respective "area" grants.

The Muktesar branch of the Institute is, broadly speaking, now concentrating on research and the Izatnagar branch on the manufacture of various prophylactic and specific sera and vaccines for animal diseases.

19. *Expenditure and receipts.*—These have been as follows (in lakhs) :—

	1913-14.	1921-22.	1922-23.	1925-26.	1926-27.	1927-28.	1928-29.	1929-30.	1930-31.	1931-32.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Expenditure	2.03	7.06	7.60	8.60	6.59	6.92	7.29	7.78	8.32	8.27
Receipts ..	1.09	4.43	4.97	13.10	11.06	12.26	14.68	15.60	11.22	9.27
Profit or loss	—0.94	—2.63	—2.63	+4.50	+4.47	+5.33	+7.40	+7.82	+2.90	+1.00

20. *Organisation.*—The Muktesar branch is in direct charge of a Director (on Rs. 2,000—2,250 *plus* O. P.). There is also the necessary technical staff for direction and also for the various sections of work at Muktesar, *viz.*, Laboratories, Veterinary, Farm, Medical and Electrical. The Izatnagar branch is in the immediate charge of a Deputy Director who gets a special pay of Rs. 150. A Veterinary Deputy Superintendent and a Laboratory Assistant are also maintained at Izatnagar.

Besides these officers, each branch has varying establishments.

21. *Control.*—The Institute is at present under the administrative control of the Education, Health and Lands Department. With the exception of two

of us we have already recommended that it should be placed under the administrative control of the Imperial Council of Agricultural Research Department (*vide* paragraphs 3 and 4).

22. *Proposed economies.*—We have scrutinised the budget carefully. We find that, generally speaking, the institute earns very substantial profits for the Central Government. In our opinion not only should this Central Research Institute continue to be maintained but its activities should not be curtailed. There appears to be some room for re-organisation, but we would leave that work to the administrative department in charge of the Institute. *Primo facie* and in the light of the evidence placed before us we have come to the conclusion that apart from the savings (which are all temporary) offered by the department, the following immediate reductions can and should be made, *viz.*—

(a) Reduction of the posts of temporary Veterinary Research Officer (Rs. 6,200) and of a Personal Assistant (Rs. 6,700)	Rs. 13,900
(b) Abolition of 10 establishment posts recently created	3,000
(c) Reduction of the provision for temporary staff	10,000
(d) Purchase of animals	10,000
(e) Supplies and Services (Rs. 5,000). Contingencies (Rs. 10,000) and English Stores (Rs. 15,000)	30,000
Total reduction of expenditure	66,900

We also propose that the decision to grant advance increments to the Engineer at Muktesar should be revised.

We further recommend that the grant of Rs. 3,000 per annum to the National Horse Breeding and Show Society should be discontinued. In our opinion animal-breeding and exhibition are essentially a provincial activity.

23. *Summary.*—The 1932-33 estimates under this grant should thus be reduced by Rs. 70,000.

CHAPTER XXI.

GRANT NO. 62-B.—INDUSTRIES (INDIAN SCHOOL OF MINES, DHANBAD).

1. *Functions*.—The school was opened in December 1926 to provide “high-grade instruction in mining engineering and geology” with the object of “enabling Indians to qualify themselves for appointments in the Geological Survey, Survey of India and the Mines Department and to meet the growing needs of the mining industry for trained mine managers and geologists”.

Organisation.—The staff consists of (a) a Principal (pay Rs. 1,250—50—1,750, plus £30 O. P.), (b) four professors (pay Rs. 750—50—1,250, plus £300 O. P.; for Indians Rs. 1,000—50—1,500), and (c) two lecturers (pay Rs. 500—25—750). Establishment consists of 38 and the provision in 1931-32 is Rs. 47,300.

2. *Growth of expenditure*.—The grant for 1931-32 is Rs. 1,97,000, and estimated receipts are Rs. 16,300. The expenditure in each year since 1926-27 has been 1·89, 2·17, 2·45, 2·02, 2·06 and 1·97 lakhs respectively. (The last two figures are estimates.)

3. *Future of this school*.—We have carefully considered the question whether in view of the fact that fresh enrolment has been almost steadily declining the school should be suspended for a term of years or closed down. One of us—Mr. Nixon—was in favour of closing the school down for, say, 5 years on grounds of financial necessity. This proposal does not commend itself to any of the other members. In our opinion the school need not be run on the present unduly costly lines. We consider that the scales of pay are too liberal and should be brought down to levels corresponding to the scales generally in force for similar work in the educational institutions in India. In paragraph 6 we have stated that it should be possible to run the school for about one lakh (net).

In view, however, of the serious decline in fresh enrolment, we urge that Government should institute enquiries at an early date into the causes of such decline and to take such remedial action as may be practicable. If the enquiry discloses that genuine demand for the training, which the school provides, cannot be stimulated, other arrangements should be made for the recruitment in India of the staff required for the Mines Department and for the Geological Survey. As a last resort, students might be given scholarships for the study of mining abroad.

4. *Utilisation of Mines staff*.—We have considered the suggestion that on the analogy of the alleged practice in some European countries the school should be placed under the Mines Department and that the Chief Inspector of Mines should be appointed to work as Principal. It does not, however, appeal to us. But we are inclined to the opinion that Government should investigate the possibility of abolishing the post of Professor of Electrical and Mechanical Engineering and entrusting his teaching duties to the Electrical Inspector under the Mines Inspectorate. It seems to us that the theoretical teaching of electrical and mechanical engineering in a school of this type cannot be of such a character as to require the services of a whole-time Professor. We are not sure that a Lecturer is needed to teach English nor that a Lecturer for the teaching of French and German need be paid at the rate of Rs. 500—25—750.

5. *Other proposals for economy.*—Our other recommendations for economy are as below :—

- (i) Provision for travelling allowance should be reduced, as proposed by the Department, from Rs. 13,500 to Rs. 9,000.
- (ii) No fees should be payable to the staff of the school for the supervision of the admission examination nor for the certificate and the diploma examinations. Estimated savings Rs. 2,000.
- (iii) Apart from the terms of special contracts, no house-rent allowance should be paid to any member of the staff and rent should be charged according to the usual rules for residential accommodation supplied by Government. We cannot calculate the receipts.
- (iv) The provision for scholarships is Rs. 6,400. At present there are 37 scholarship holders out of a total enrolment of 70. The number of scholarships has not been reduced even though enrolment has gone down. In our opinion the number as well as the rates should be cut down so as to save at least Rs. 2,500.
- (v) The terms on which Government servants (for example of the Salt Department) are trained at Dhanbad should be revised. In our opinion all that Government need do in such cases is to provide the training free, but no travelling or other allowances or peons need be given.
- (vi) We have examined the list of establishments. Since the number of students has gone down, we consider that some reduction is possible by "doubling up" certain duties and giving some suitable work to the students themselves. In particular, we consider that the whole-time medical establishment is unnecessary. It will perhaps be sufficient to utilise the local medical establishment of the Bihar and Orissa Government or even a private practitioner by giving him a suitable allowance as is usually done in the case of educational institutions. We estimate a saving of Rs. 5,000 under this sub-head.
- (vii) The provision for Supplies and Services and Contingencies should be cut down to Rs. 10,000 and 20,000 respectively. Savings Rs. 9,600.

6. *Summary of savings.*—Under our proposals the immediate savings will be Rs. 23,600—about 12 per cent. of the 1931-32 gross budget. We have reason to believe that, when the school is reorganised on the lines suggested by us, it will be possible to run it at a net cost of approximately one lakh.

CHAPTER XXII.

GRANT NO. 63—AVIATION.

1. *Explanation of the Grant.*—(i) *Analysis of present position.*—The total budget for Civil Aviation for 1931-32 may be set out as follows :—

								Rs.
								Lakhs.
Directorate etc.	..	..	..	..	..	..	..	2.27
Payments to Posts and Telegraphs Department for wireless	..	..					..	4.13
Grants to Clubs etc.	..	..	..	..	..	..	..	1.88
Works	..	..	..	..	..	..	..	13.00
English Stores	..	..	..	..	..	..	..	5.82
Karachi-Delhi Charter Service	..	..	..	..	..	..	..	3.69
Indian State Air Service	..	..	..	..	..	..	..	4.68
Scholarships	..	..	..	..	..	..	..	28
Other expenses	..	..	..	..	..	..	..	.02
Total								35.77

At least Rs. 11.80 lakhs under Works, Rs. 5.82 lakhs under English Stores (the cost of the aircraft for the Indian State Air Service, the order for which has already been placed) and Rs. .43 lakhs under the Indian State Air Service are of the character of capital expenditure. The department estimates that the figure of Rs. 4.13 lakhs for payments to the Posts and Telegraphs Department will, largely owing to delay in completing the programme, be reduced to Rs. 2.39 lakhs. Of the Rs. 13 lakhs for works, Rs. 6.22 lakhs (not yet incurred) are for ground lighting for an air service across India. The capital cost of this item is now put at about Rs. 5½ lakhs, but no provision apparently exists in the above figures for the maintenance of the ground lighting plan, which was estimated to amount to three-quarters of a lakh for a full year. Nor do the above figures take into account the increase in the meteorological budget due to aviation. The Department estimates that of the increase of Rs. 14.55 lakhs in the expenditure on Meteorology between 1924-25 and 1931-32 a sum of about Rs. 9.20 lakhs, in terms of average cost, can be ascribed to Civil Aviation. It appears to the Sub-Committee that a substantially large part of the increased expenditure under Meteorology would not have occurred had it not been for Aviation.

(ii) *Estimated future cost.*—Owing to the holding up of the final decision to go ahead with an Indian State Air Service some of the expenditure budgeted

for 1931-32 must inevitably lapse. If nothing had lapsed, the department anticipates the expenditure of future years as follows :—

(a) presuming the Indian State Air Mail Service from Karachi to Calcutta to be proceeded with :—

						1932-33.	1933-34.
Directorate etc.	..	..	..	..	..	2.90	3.05
Works	..	..	..	..	..	2.75	2.75
Air State Service	..	..	..	..	..	9.50	9.00
Grants to Clubs etc.	..	..	..	..	..	2.00	2.00
Wireless Service	..	..	..	..	..	4.10	4.10
Scholarships	..	..	..	..	..	.25	.25
Total						21.50	21.15
Less Revenue						2.00	3.00
Net total (Rs. lakhs)						19.50	18.15

Were the State Air Service to go on, the figure for 1932-33 would be increased by a part of the amount lapsed from 1931-32.

(b) for a restricted State Air Service from Karachi to Allahabad (which would involve the building of a hangar at Allahabad and the disposal of one of the aircraft) :—

						Gross.	Revenue.	Net.
1932-33	..	..	..	..	..	20.31	1.75	18.56
1933-34	..	..	..	..	..	19.15	2.50	16.65

The figure for 1932-33 must be increased by some of the lapsed expenditure from 1931-32.

2. *Proposals.*—The Sub-Committee is unanimously of opinion that, subject to the conditions mentioned in the next paragraph, the scheme for the inauguration of an Indian State Air Service should not be proceeded with for the present. It is a new contemplated service and its holding in abeyance does not mean, as does retrenchment in other departments, a general dismissal of staff. India is not in a financial condition at present to be able to undertake new commitments of such a character as the proposed State Air Service, while proposals of vital importance to the country entailing considerable expenditure are under contemplation, *e.g.*, an Indian Military College for all arms, a Reserve Bank and other measures necessitated by the inauguration of a new constitution.

3. *Conditions.*—The conditions upon which the Sub-Committee has unanimously agreed to propose that the contemplated State Air Service should be held in abeyance are that no non-Indian commercial concern should be allowed to be started as the Indian link in an east and west through air run. The Sub-Committee is generally of the view that it is unlikely that the Government of India in the present financial circumstances throughout the world, will be faced at any early date with the alternative of either instituting an Indian

State Air Service or of having to accept the establishment of a non-Indian controlled service. Should however such an issue arise at any stage, the Sub-Committee recommends that the Government of India should unhesitatingly adopt the former course and proceed with the institution of a State Air Service. But against pressure and threats from any powerful non-Indian commercial interest, the Sub-Committee considers that the Government of India, at the limit of withdrawing all their ground organisation and meteorological facilities (the latter up to the borders of Persia) are not without effective weapons.

4. "*Maintenance*" basis.—(a) The unanimous conclusion of the Sub-Committee therefore is that until India is financially in a position to institute her own State Air Service, or until she is finally forced into inaugurating it in the protection of her own national interest, the equipment for civil aviation in India should be put on to a merely "maintenance" basis. The aircraft should be disposed of on the best possible terms as it will be uneconomical to keep it and incur heavy costs for storage, insurance and maintenance, particularly as it will be obsolete in, at any rate, four years' time. The services of the manager should be dispensed with. The Government of India should, in the view of this Sub-Committee, inform her co-signatories of the International Air Convention that this is her policy, forced on her by financial circumstances. The co-operation of His Majesty's Government should be sought in support of this policy. The Government of India should also take such action in regard to the French and Dutch services at present crossing India as is compatible with this policy.

(b) *Its estimated cost.*—The department puts the annual cost of a "maintenance" condition at :—

						1932-33.	1933-34.
Direction, etc.	..	..	..	..	..	2.90	3.05
Works	..	..	..	..	..	2.00	2.00
Grants to Clubs etc.	..	..	..	..	..	2.00	2.00
Wireless Service	..	..	..	..	..	3.24	3.24
Scholarships	..	..	..	..	..	.25	.25
Total Rs. (lakhs)						10.39	10.54

The Sub-Committee considers, in view of the details given by the department for the item Works, that a grant of one lakh for this purpose should suffice, and further that in a time of financial distress a sum of Rs. 1.50 lakhs for grants to Clubs etc., should meet the situation. The Sub-Committee is also agreed that the financial condition of India will, if the State Air Service is not instituted, not permit of nor require such a high and growing charge for the item Directorate etc., as is suggested by the department. At the most it would recommend the provision of a sum of Rs. 1½ lakhs for this item. An officer of the status and rate of pay of the present Deputy Director should suffice to direct the activities of this department on the restricted scale proposed.

5. *Summary of savings.*—(a) The Sub-Committee would fix the total Civil Aviation budget for 1932-33 at Rs. 7½ lakhs. It contemplates that these measures would yield a saving of about Rs. 13 lakhs in the budget of the present year. As compared with the Karachi-Calcutta scheme there would be a saving of over Rs. 12 lakhs in 1932-33 and over Rs. 11 lakhs in the next and probably following years. Against the figures for the Karachi-Allahabad scheme the saving would amount in 1932-33 to Rs. 11½ lakhs and in 1933-34 to Rs. 9½ akhs. The sale proceeds of the aircraft will be additional to these figures.

(b) The approximate details, so far as they can be deduced from the department's figures, of the savings are :—

				1932-33. As against Karachi to		1933-34. As against Karachi to	
1931-32.				(a) Calcutta.	(b) Allahabad.	(a) Calcutta.	(b) Allahabad.
Directorate etc.	..	..	..	1.65	1.65	1.80	1.80
Wireless	..	..	1.74	.86	.86	.86	.86
Grants to Clubs etc.	..	..	..	.50	.50	.50	.50
Works	..	..	6.70	1.75	10.06	1.75	8.75
Indian State Air Service	..	..	4.28	9.50		9.00	
				12.72	14.26	13.07	13.91
Less revenue	..	..	..	2.00	1.75	3.00	2.50
Net saving	..	..	12.72	12.26	11.32	10.91	9.41

CHAPTER XXIII.

GRANT NO. 67.—EMIGRATION (EXTERNAL).

(1) *Organisation*.—The grant for 1931-32 is Rs. 2,60,000. The Government of India maintain agencies in South Africa, Ceylon and Malaya. The 1931-32 budget estimates for these are Rs. 1,10,000, Rs. 43,200 and Rs. 34,900 respectively. The Agent in South Africa is paid £2,500 per annum and a sumptuary allowance of £500 and a motor-car allowance of £200. He is assisted by a Secretary belonging to the I. C. S. There is also a small establishment of a Superintendent on £650, a typist on £150 and two messengers. In Ceylon the Agent belongs to the I. C. S. and has an Assistant and an establishment of 9. The Agent in Malaya belongs to the Madras Provincial Civil Service: he has a small establishment of 4. The Ceylon and Malaya Agents each gets a special pay of Rs. 300 and motor-car allowances of Rs. 1,200 and Rs. 2,700 respectively. In India itself the following staff is maintained, *viz.* (i) At Calcutta:—A Protector of Emigrants and Superintendent of Emigration with an establishment of 17. (ii) In Madras Presidency:—Protectors of Emigrants at Madras, Negapatam and Dhanushkodi, a special officer for South African repatriates and a Medical Inspector of Emigrants at Madras. Establishments consist of 19. Only the Protector at Dhanushkodi is now a whole-time officer. (iii) In Bombay Presidency:—A Protector of Emigrants with some establishment at Bombay and Karachi.

(2) *Proposals*.—We have carefully considered whether the three Agencies and the establishments in India need be maintained. Our unanimous opinion is that they must be kept. Hence, the only scope for the immediate reduction of expenditure is through minor economies. Our concrete proposals are:—

(i) The pay and allowances of the future incumbents of the post of the Agent in South Africa should be revised after the forthcoming negotiations with the South African Government are concluded. The status of the Agent's Secretary and of the Superintendent and their salaries should also be then revised. The provisions for travelling and other allowances and for contingencies should, however, be reduced from Rs. 18,000 and Rs. 18,300 to Rs. 15,000 and Rs. 15,000 respectively.

(ii) As regards Ceylon we observe that since 1927 the total figures of arrivals in and departures from Ceylon are going down year by year. The post of the Assistant Emigration Officer (Rs. 250—400) for which the 1931-32 provision is Rs. 3,500 should therefore be abolished. The establishment should be reduced so as to reduce its cost from Rs. 9,000 to Rs. 7,000, and the provision for contingencies should be brought down from Rs. 4,000 to Rs. 3,000. The Agent's motor-car allowance should be reduced from Rs. 1,200 to Rs. 600 per annum.

(iii) Our view is that the special pay of the Agent in Malaya should continue, but his motor-car allowance should be reduced from Rs. 2,700 to Rs. 1,200 per annum. The provision for temporary establishment should be brought down from Rs. 1,100 to Rs. 500 and that for 'other charges' from Rs. 14,500 to Rs. 12,000.

- (iv) As regards Bengal, we hold that action on the lines adopted or recommended by the Madras Government for their own province should be taken, and the post of Protector should be abolished, his work being made over to a Central Government's employee (e.g., to a Port or Customs officer). Even if an allowance of say Rs. 75 per mensem be given, there will be reduction of expenditure from Rs. 5,400 to Rs. 4,500. The establishment of 17 should be cut down by 4 (2 clerks and 2 peons) so as to save Rs. 4,000, and the provision for other charges should be brought down from Rs. 5,200 to Rs. 4,500.
- (v) In Madras Presidency the part-time post of Protector at Madras has already been abolished and his duties made over to the Special Officer for South African repatriates, and the duties of the whole-time Protector at Negapatam have been made over to a Port Officer. We approve these measures. We observe that emigration to Malaya from Madras has practically ceased. On this ground as well as on that of economy we propose that the special pay of Rs. 100 per mensem to the Medical Inspector at Madras should be reduced to Rs. 50 per mensem. The cost of the establishments in Madras should be reduced by Rs. 2,000, the provision for travelling allowance and other allowances from Rs. 8,100 to Rs. 7,500 and for contingencies from Rs. 3,800 to Rs. 3,500.
- (vi) The only economies we propose for Bombay are the reductions of the cost of establishment from Rs. 3,400 to Rs. 2,600 (1929-30 actuals were Rs. 2,628) and of the provision for "other charges" from Rs. 300 to Rs. 250 (1929-30 actuals were Rs. 242).
- (3) *Summary of savings.*—On our proposals immediate savings with effect from the budget estimates for 1932-33 will be Rs. 40,450, or say Rs. 40,000 = 15½ per cent. of the 1931-32 grant.
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CHAPTER XXIV.

GRANT No. 69-A.—IMPERIAL LIBRARY.

(1) *Organisation*.—The budget grant for 1931-32 is Rs. 73,000. The Bengal Government contribute Rs. 20,000. Hence net cost to the Government of India is Rs. 53,000. The library is in charge of a Librarian on Rs. 750—50—1,250. The ministerial establishment consists of 15 at a cost of Rs. 23,200 and the menial establishment of 35 (sorters and servants) costs Rs. 9,400. There is also a temporary establishment estimated to cost Rs. 2,500.

(2) *Growth of expenditure*.—Expenditure has grown as shown below :—

	1913-14.	1924-25.	1929-30.	1931-32.
	Rs.	Rs.	Rs.	Rs.
Total expenditure .. .. .	..	61,436	76,610	73,000
Government of India's expenditure ..	40,000	41,436	56,710	53,000

The growth of expenditure since 1924-25 is on the pay of establishments and on allowances and other expenses. In 1924-25 the Librarian's scale of pay was Rs. 1,000—1,500. Even though it was reduced to Rs. 758—50—1,250 in 1929-30, we are of opinion that the present scale is too high and should be reduced.

(3) *Proposals*.—The Department of Education, Health and Lands have offered savings amounting to Rs. 14,500, but some of these are apparently not permanent. We think it should be possible to reduce expenditure by about Rs. 16,500. The abolition of the temporary appointment of an *ex-officio* Secretary to the Council of the Imperial Library effects a reduction of Rs. 2,400. It should be possible to save Rs. 5,000 under establishments including Rs. 2,500 for the temporary establishment. The provision for the purchase of books etc., may be reduced from Rs. 14,500 to Rs. 8,000, that for travelling allowance from Rs. 3,000 to, at the most, Rs. 840, and that for contingencies by about Rs. 500. Considering that in 1929-30 travelling allowances, rent and contingencies actually cost Rs. 7,956, the 1931-32 provision of Rs. 10,000 appears to us to be an over-estimate: under our proposals it will be reduced to Rs. 7,540. On these lines total permanent reduction will be Rs. 16,560. We propose that the 1932-33 budget should be reduced from Rs. 73,000 to Rs. 56,500.

GRANT No. 69-F.—INDIAN WAR MEMORIAL.

(1) *Organisation*.—The Indian War Memorial is a museum of war trophies maintained in the Fort at Delhi by the Department of Education, Health and Lands. The establishment consists of one Curator on Rs. 300—350 and six servants. Of the total estimated expenditure of Rs. 7,100, establishment accounts for Rs. 5,300 and other charges for Rs. 1,800. In 1929-30 the Memorial cost Rs. 6,056.

(2) *Proposal*.—In our opinion, the establishment is excessive and is unduly costly. In particular, the Curator's pay Rs. 300—350 appears to us to be too liberal. Our recommendation is that the collection should be handed over to the Chief Commissioner of Delhi and the grant should be reduced from Rs. 7,100 to Rs. 2,000; saving Rs. 5,100.

CHAPTER XXV.

GRANT NO. 69-C.—EXPLOSIVES.

1. *Functions and organisation.*—The Explosives Department is maintained for the administration of the law relating to explosives and petroleum.

The staff consists of (i) a Chief Inspector on Rs. 1,450—100—2,000 *plus* overseas pay. (The present Chief Inspector gets a special pay of Rs. 200 per mensem since 1st April 1931), (ii) two Inspectors (one on Rs. 700—50—800 and the other on Rs. 350—800) and two temporary Inspectors (one on Rs. 450 and the other on Rs. 350). Establishments (13 ministerial and 10 servants) cost Rs. 24,000. In 1924-25 the establishment was 8 ministerial and 8 servants.

2. *Growth of expenditure.*—Expenditure has grown as below :—

	1913-14.	1924-25.	1929-30.	1931-32.
	Rs.	Rs.	Rs.	Rs.
Pay of Officers	83,000	47,830	35,955	50,700
Pay of establishment		17,150	19,638	24,000
Travelling allowance		31,400	24,376	31,500
Gross expenditure	83,000	95,081	86,297	1,12,000

3. *Proposals.*—In the case of a small Department like this with statutory duties to perform all over the country the scope for retrenchment is limited. But, if advantage is taken of certain favourable circumstances, it is possible to effect an appreciable reduction of expenditure. Our proposals are :—

- (i) The present Chief Inspector will have completed 55 years of age on the 4th of November 1931. We recommend that one of the Inspectors should be sent abroad for training in explosives and, if found suitable, should be promoted as Chief Inspector on a considerably lower scale of pay than the present one.
- (ii) The provision for travelling allowance should be reduced from Rs. 31,500 to Rs. 20,000.
- (iii) The number of clerks should be reduced from 13 to 10 (*i.e.*, to two more than in 1924-25) and of servants from 10 to 8.
- (iv) We observe that the present Chief Inspector as well as his predecessor were on a personal scale of pay and were also given a special pay. We urge that special concessions like personal scales of pay and additional special or personal pay should not be granted.
- (v) We further note that at present the services of the officers of this department can be secured without payment. There is therefore a natural tendency to requisition them somewhat freely. The only practicable way of checking such a tendency is to frame rules for the appearance of the officers of this department to give evidence in law courts and to charge suitable fees.
- (vi) Government should see that the two temporary posts of Inspectors are not made permanent on the mere ground of increased work.

- (vii) We have scrutinised the grounds for the grant of house-rent allowances to the staff of this department, and have found them unconvincing. The mere fact that an officer uses a portion of his house as his office room when he has no *real* office should not entitle him to a house-rent allowance outside the regular scheme for house-rent allowances. We, therefore, recommend that this concession should be abrogated.
- (viii) We consider it practicable to reduce the work of this department by leaving much more to be done by the agency of the provincial magistracy and police. This is one of the grounds on which we have reduced the provision for travelling allowances.
4. On our proposals, the savings will be about Rs. 25,000. The 1932-33 budget should be reduced to Rs. 85,000. When our proposals are given full effect, the budget should come down to Rs. 75,000.

CHAPTER XXVI.

GRANT NO. 69-I—BROADCASTING.

1. *Expenditure.*—The 1931-32 budget estimates (total Rs. 2·96 lakhs) for allowances at headquarters and for the broadcasting stations at Calcutta and Bombay are Rs. 5,000, Rs. 1,39,000 and Rs. 1,52,000 respectively. Receipts of Rs. 1,35,000 have been estimated for 1931-32. In 1930-31 the receipts were Rs. 1,47,268 and the expenditure was Rs. 2,72,968; there was thus a loss of Rs. 1,25,697.

2. *Organisation.*—The Calcutta station has a Director on Rs. 1,000 p. m. and the establishment costing Rs. 36,000 consists of a programme director, engineers, clerks and servants. There is a provision of Rs. 41,200 for the artists who perform for the broadcasting service. Supplies and services cost Rs. 26,800 and contingencies Rs. 21,000.

The Bombay station has a Director on Rs. 600 per mensem and an establishment consisting of a programme director, engineers, clerks and servants costing Rs. 31,400. There is a provision of Rs. 44,000 for the artists and of Rs. 5,100 for travelling and other allowances. Supplies and services cost Rs. 34,500 and contingencies Rs. 29,800.

3. *Proposals.*—The Government of India paid 3 lakhs for the two stations and their equipment and undertook this service as an experimental measure for two years. We are aware that that period is not yet over. We have also taken into consideration the facts that stockists of radio goods will suffer and some private radio installations will, to some extent, be rendered useless, if the service is shut down completely.

We concede that there is some force in the argument that broadcasting has its uses, but we see no early prospect of its becoming a self-supporting service. At present it involves a net loss of about 1½ lakhs. Our conclusion therefore is that it should be closed down. As regards the disposal of the two stations at Calcutta and Bombay a suggestion was made that the plant, machinery, apparatus and other similar equipment might be stored and a small establishment estimated to cost Rs. 700 p. a. might be entertained to look after them. We cannot accept this suggestion, for we fear that these are likely to get out of date very soon. Our proposal therefore is that they should be sold outright for what they can fetch.

ABDUR RAHIM.

RAM SARAN DAS.

S. C. MITRA.

M. SHAH NAWAZ.

HAR BILAS SARDA.

J. RAMSAY SCOTT.

J. RAMSAY SCOTT (for K. B.
Hafiz Wilayatullah)

J. C. NIXON.

(As regards the late Mr. K. C. Roy's
views para. 24 on page 10 may be
seen.)

Dated 16th September 1931.

Simla.

S. P. SHAH,
Secretary.

Summary of immediate reduction of expenditure (with effect from the 1932-33 budget) resulting from the proposals in Chapters II to XXVI of this Report.

Serial No.	Chapter number and name of grant.	Grant No.	1929-30 Actuals. (Lakhs).	1931-32 Budget. (Lakhs).	Immediate reduction. (Lakhs.)	Remarks regarding the proposed reduction.
1	II. Taxes on Income ..	17	70.35	75.87	7.00	There will also be additional revenue of 50 lakhs from the proposal in paragraph 4 (vi).
2	III. Stamps ..	20	.09	— .03	Nil	
3	IV. Forest ..	21	10.16	11.30	6.61	
4	V. Executive Council ..	28	5.37	5.79	Nil	
5	VI. Bureau of Public Information.	32-B	1.57	1.41	.40	
6	VII. Intelligence Bureau ..	32-C	11.68	7.11	.47	Plus a substantial reduction in the grant of 2.60 lakhs for Secret Service Contingencies. Amount of reduction cannot be estimated.
7	VIII. Central Board of Revenue.	41	3.23	3.07	.82	
8	IX. Police ..	45	1.93	1.99	.30	
9	X. Survey of India ..	48	40.27	41.50	27.50	
10	XI. Meteorology ..	49	12.90	21.48	5.98	
11	XII. Geological Survey ..	50	5.68	5.69	3.55	
12	XIII. Botanical Survey ..	51	2.75	2.98	1.31	
13	XIV. Zoological Survey ..	52	2.03	2.30	1.70	
14	XV. Archaeology ..	53	16.12	16.01	5.38	The reduction will be 5.50 when the Epigraphist retires.
15	XVI. Mines ..	54	2.51	2.63	.44	
16	XVII. Other Scientific Departments.	55	5.18	3.24	.05	
17	XVIII. Education ..	56	8.44	18.87(1)	6.38	About .27 is still provisional. 6 lakhs (non-recurring grant) would have gone out in any case.
18	XIX. Medical Services ..	57	10.52	9.95	3.35	There will be an addition of 1 lakh to Army Estimates.
19	Public Health ..	58	15.26	13.92	5.58	
20	XX. Agriculture ..	59	15.86	15.37	6.91	Some receipts also would be lost when the sub-sections are given up.
21	Imperial Council of Agriculture Research.	60	16.55	8.00	4.22*	
22	Civil Veterinary Services	61	7.79	8.30	.67	
23	XXI. Industries ..	62	2.07	1.97	.24	
24	XXII. Aviation ..	63	17.64	35.77(2)	28.52	
25	XXIII. Emigration—(External).	67	2.40	2.60	.40	
26	XXIV. Imperial Library.	69-A	.57	.53	.17	
27	Indian War Memorial	69-F	.06	.07	.05	
28	XXV. Explosives ..	69-C	.86	1.12	.25	
29	XXVI. Broadcasting ..	69-I	Nil	2.96	2.96	About 1½ lakhs receipts will go. Sale proceeds of stations and equipment cannot be calculated.
Total ..			289.84	321.77	121.21	

* When Pusa and Muktesar are taken over there will be additional expenditure; it will be off-set by savings in E. H. and L. Department larger than the additional expenditure.

(1) Includes non-recurring grants of 6 lakhs each to Benares and Aligarh.

(2) Includes 4.19 lakhs shown in High Commissioner's and Secretary of State's budget.

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